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THE LOAN GAZETTE

Official Organ of the American Association of Small Loan Brokers Which Is a Member of the Chamber of Commerce of the U. S. A.

Vol. III. No. 1. JULY, 1918. Price, $1.00 a Year.

ONE OF THE VALUES OF A. A. MEMBERSHIP.

The chairman of the membership Committee is frequently asked by the people whom he solicits for membership in the American Association, and the same applies to the secretaries of the state organizations, "What are the advantages to be derived from membership in the American Association of Small Loan Brokers, or any of its affiliated bodies?" The purpose of this reference is not to repeat the many advantages which have already accrued to those who have come into our organization, but it is to bring to your attention a recent and interesting development.

The Massachusetts Bonding and Insurance Company, one of the largest and strongest surety companies in the country, has taken a decided stand and has refused to bond any employee or any company to the state, as is required under the modern small loan laws, unless the employee and the company for which he works, is a member of the American Association or one of its affiliated state bodies.

A recent experience was brought to the attention of the National Secretary by the agent of the above mentioned surety company, in which an applicant in Pennsylvania was denied a bond until he assured the agent that his intentions were to join the Pennsylvania Association of Licensed Small Loan Brokers.

This experience is significant and indicates that the declaration of principles for which the American Association stands and its record of accomplishment as well as the scrutiny with which it considers all applications for membership, and its insistence upon all its members obeying the law of the state in which its members operate, has come to the attention of the bonding companies, and is now considered by them as the barometer for them to decide whether a bond shall be issued or not. Neither the American Association nor any of its affiliated state bodies have had anything to do with the attitude taken by the bonding company in question.

MAKE YOUR LETTERS SAY, "WE'LL WIN."

Get the victory punch into your business letters.

Pessimism is more infectious than a cold. One doubter can give the chills to a roomful of people. The germ of this disease often creeps into our correspondence and does more harm than the spoken word.

So the Department of Commerce suggests that the win-the-war spirit be got into business letters. Originally the idea was proposed to apply to mail sent to foreign countries. Here the color of our thoughts is searched for eagerly between the lines of what we write. The business man abroad—whether a neutral or an ally—is quick to see any weakness. The flag ought to be kept flying in all letters that leave the country.

The same is true of business letters to home correspondents. There is such a thing as negative as well as positive patriotism. To refrain from doubts is not enough. Our correspondence should carry a vital confidence and purpose to see the war through to victory. We are going to win. Let your letters show you know it.

NATIONAL CONVENTION.

Please note that the Annual Convention will be held at Detroit, Mich., September 9th and 10th, and that our headquarters will be at Hotel Pontchartrain. An excellent program of education and entertainment is being provided. Able men will be there to discuss important and practical questions. The National Secretary has learned that there will be a delegation from almost every state in the Union, and that the forthcoming affair will surpass all those that have gone before. Please understand this to be your personal invitation to attend. A booklet entitled, "Beautiful Detroit," will go forward to each member in the near future.

OHIO.

The fourth annual convention of the Ohio Loan Association was held at Cedar Point, on Lake Erie, June 26-28, 1918, and for the benefit of our friends of the American Association, let us say that we beat the Canadian soldiers to it this year.

In point of attendance and interest taken by members in the various discussions, this convention was a most pleasant surprise; for owing to the war activities and general conditions, it was not expected that such a good attendance would be had.

The program proper was carried out Wednesday afternoon, Thursday and Friday morning. The sessions were short and lively and free from those long, drawn-out discussions, which tend to mar rather than enliven a convention.

O. W. Donart, of Pauling, addressed the convention upon "The Soldiers' and Sailors' Civil Relief Act," and his paper was most interesting and instructive. We believe that he has been asked to discuss the same subject at the National Convention in Detroit, and if he consents to do so the American Association is to be congratulated.

E. F. McKee, city solicitor of Springfield, Ohio, also gave the convention an interesting discussion of the recent "Work or Fight" regulation promulgated by General Crowder and cited many rulings upon the same. It was stated by him as his opinion, that employees of loan companies would not be classed as being engaged in non-essential industries.

We were distinctly honored by having Mr. R. V. Barto, chief inspector of the Chattel Loan Department of Securities of Ohio, as a guest and hearing him on Thursday. Mr. Barto is a man of a very broad mind, big enough to see the difference between a petty oversight and an intentional disregard of law. He uses the rule of common sense in his dealings with the licensees and yet he does not give one the impression of being an easy mark by a long shot. His coming to our convention served as a most timely occasion for a closer acquaintance and understanding between the department and the licensees.

Chairman Dyer was on the job every moment and presided in his inimitable style. He gave to the convention much valuable material and information in his address, "The Ohio Note Mortgage and Salary Assignment."

We had hoped that the National Secretary would be there with us but he was only able to be there "on paper," and the same was read by Mr. H. C. Wonnell, of Hamilton. Mr. Kehr's paper dealt with the activities of the American Association during the past year, and we were very grateful to hear from him. He did not fail to boost for the convention at Detroit and his words did not fall on deaf ears, for we are all coming to the National Convention or know the reason why. The Ohio Loan Association can drink just as much soda water and lemonade as anyone.

The genial Dr. Mueller was there from Philadelphia with a smile for every one; and best of all he read a paper upon the subject of "What the Association Stands For," and held the interested attention of those present.

The distinct hit of the convention was the playlet, put on by Messrs. Woodley, Schoonover, and Oldham, in which they demonstrated their ability to amuse and instruct at the same time. The characters were so evenly matched on merit that we would hesitate to pick out any one as the star.

As an ice breaker at a convention, a playlet is a distinct success; not only does it amuse and entertain, but being centered around the business in which we are all interested, many points are thus most forcibly brought out. The officers of the past year were elected for the ensuing year and the question of naming delegates for the National Convention was referred to the executive committee.

J. Fred Anderson, *Sec.*

THE LOAN GAZETTE

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Correspondence and items intended for publication should be addressed to Geo. W. Kehr, 204 Chestnut St., Harrisburg, Pa.

Communications cordially invited.

AMERICAN ASSOCIATION OF SMALL LOAN BROKERS.

NATIONAL OFFICERS, 1917-1918.

Chairman, J. H. Dyer, 205 Commerce Bldg., Columbus.
Treasurer, J. H. Aufderheide, 860 Lemcke Annex, Indianapolis.
Secretary, G. W. Kehr, 204 Chestnut St., Harrisburg.

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Cal.—A. V. Hill, 400 Title Insurance Bldg., Los Angeles.
Ill.—L. C. Harbison, 81 E. Madison St., Chicago.
Ind.—A. C. Broughman, 304 Marion Natl. Bk. Bldg., Marion.
Iowa.—T. J. Harrison, 115½ E. 4th St., Waterloo.
Md.—William Young, 419 Munsey Bldg., Baltimore.
Mich.—J. E. Ryan, 707 Breitmeyer Bldg., Detroit.
N. J.—J. W. Whitstone, Frost Bldg., Plainfield.
N. Y.—R. W. Sharp, 51 Liberty St., New York.
Ohio.—J. H. Dyer, Esq., 205 Commerce Bldg., Columbus.
Pa.—V. D. Moss, 1210 Walnut St., Philadelphia.
R. I.—W. G. Wood, 268 Westminster St., Providence.
Unorganized States.—R. M. Rutherford, 202 Coleman Bldg., Louisville, Ky.

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Chairman, Auditing, W. A. Zumpfe, 701 Odd Fellows' Bldg., Indianapolis.
Chairman, Finance, L. C. Harbison, 81 E. Madison St., Chicago.
Chairman, Law, F. R. Hubachek, Esq., 610 McKnight Bldg., Minneapolis.
Chairman, Legislation, C. H. Watts, 1011 Chestnut St., Philadelphia.
Chairman, Membership, Dr. C. G. Mueller, 1006 Liberty Bldg., Philadelphia.
Chairman, Publicity, Col. C. Hodson, 25 Church St., New York.

The Executive Council is composed of the National Officers and Vice-Chairmen.

STATE SECRETARIES.

Cal.—J. G. Caldwell, 308 Broadway Central Bldg., Los Angeles.
Ill.—A. L. Weinschenk, 79 W. Monroe St., Chicago.
Ind.—R. C. Aufderheide, 860 Lemcke Annex, Indianapolis.
Iowa.—D. Esmond, K. of P. Bldg., Des Moines.
Md.—J. J. Wood, 9 Park Bank Bldg., Baltimore.
Mich.—H. D. Firth, 407 5th Natl. Bk. Bldg., Grand Rapids.
N. J.—F. B. Merritt, 46 Patterson St., New Brunswick.
N. Y.—E. P. East, 175 Fifth Ave., New York.
Ohio.—J. Fred Anderson, 401 Bushnell Bldg., Springfield.
Pa.—C. H. Watts, 1011 Chestnut St., Philadelphia.
R. I.—J. H. Wickstrom, 87 Weybosset St., Providence.

DECLARATION OF PRINCIPLES.

As revised by the Executive Council, January 21, 1918.

1. We will do what we can to dignify, uplift and standardize the small loan business in every quarter of the United States.
2. We will favor state legislation, uniform in character, providing licenses and supervision by a state official, with bond to the state, and providing legal rates and terms fair to both lender and borrower.
3. We will assist by publicity in educating the public to the service rendered by small loan brokers in this necessary business.
4. We will obey the small loan laws ourselves, and police the business.
5. We will regulate our public advertisements and circulars, so that they shall be dignified, truthful and straightforward.
6. We will keep our books and accounts in plain and understandable form, satisfactory to the licensing official and never refuse a borrower a statement of his account.
7. We will make an earnest effort to maintain good relations with all state officials and their examiners, and will always deal with them frankly in a spirit of coöperation, and in recognition of their duty to the public as well as to licensees.
8. We will not do anything to bring the business of the American Association of Small Loan Brokers, or our State Associations, into disrepute, or question as to our fair and lawful methods.
9. We will coöperate with all members of the American Association of Small Loan Brokers and our affiliated State Associations, in respect to accurate credit information and other advice and assist them in the collection of accounts, dealing with them in a spirit of fraternity and helpfulness.
10. We will do what we can to discourage the practice of making the same borrower or borrowers more than one loan on the same security at the same time.

NOTICE.

Members are requested to frame and display their certificate of membership in the customer's lobby.

HONOR ROLL.

The Crescent Loan & Investment Co., Evansville, Ind., announce that Edward Riepe, one of their valued employees, has left their service to answer the country's call, and is now with General Pershing in France.

YEAR BOOK CORRECTIONS.

In order to keep your Year Book up to date, so that it will be valuable to you until the next book is issued, please change the name of the Legon Investment Co., Richmond, Va., to the Beneficial Loan Assn., Inc., 402½ E. Marshall St., Richmond, Va. Also change T. M. Molamphy & C. A. O'Donnell, to the Columbia Loan Company, Inc., 501 Schmidt Bldg., Pittsburgh, Pa., and the Market Street Loan Co., 1031 Market St., Philadelphia, to the National Loan Society, 1020 Chestnut St., Philadelphia, Pa.

IS THE SMALL LOAN BUSINESS ESSENTIAL TO THE WINNING OF THE WAR?

That is one of the subjects announced for discussion at the meeting held by the Pennsylvania Association in Philadelphia, June 25th. To be sure, it was a practical and timely and vital question to consider in view of the recent national developments. The discussion developed many interesting changes that have taken place in the small loan business since the declaration of war. It showed by the acts and deeds of the members that they register 100% when measured by their patriotism. It brought out the fact that the small loan business has yielded up its quota of men to the country for military service and that it has assisted in the purchase and sale of Liberty Bonds, War Savings Stamps and Thrift Stamps, in contributions of funds to the Red Cross, Y. M. C. A., and Knights of Columbus drives, together with pages of newspaper space which was required to give the necessary publicity to make these campaigns successful. Pursuant to the Crowder "work or fight" order, it has, wherever possible, replaced its active men in subordinate positions with girls and women in order that these men thereby released might enter the military service if their physical fitness permitted, or into some other necessitous industrial work. It is, however, a peculiar business, the management of which can only be entrusted to executives who have had long training and experience. A business that requires an average investment of $25,000 per office, and there are no less than a thousand offices in this country, calls for the same executive ability that is required to run a bank, a factory, or a department store. Though there are exceptional women who have proved themselves the equal of men in the business world, there is not a sufficient number available at this time with the necessary training and experience, to fill the executive positions required in the small loan field or any other important line of American endeavor.

Some small loan offices have had some success in the employment of women, both for inside and outside employment and in exceptional cases, they are managing to get along temporarily with a woman in charge of the office.

Whether the business will be conserved if the war continues for a much longer period will depend upon its necessity to the community. No intimation has come to the writer that there is any let up in the demand for loans of $300 or less from that class of industrial workers who do not have banking accommodations. It is true that any able-bodied man or woman can find employment at good wages anywhere in this country at this time, but it is also true that the cost of living has increased in proportion to the advance in salary or wages. Moreover, the elimination of two or more million active men from the civil pursuits of American life, has thrown a greater responsibility upon those at home to keeping up of the necessary home obligations. Someone at home must see that the sick are cared for and that the doctor bills are paid. Someone at home must supply the cash with which to lay in the winter's supply of coal. Someone at home must keep up the life insurance and taxes or else the home will be lost. Someone at home must buy his share of Liberty Bonds and War Savings Stamps and Thrift Stamps, and someone at home must do the thousand and one other things that are as important and patriotic as it is to serve in the trenches. The same financial demand from the industrial workers continues to come to the small loan broker to fill, as comes to the banker who finds plenty of calls for funds from people with ample security.

This is a serious question for those who are responsible for an investment approximating $500,000,000 in this country. It behooves everyone interested in the conservation of the small loan business to take indisputable testimony from the people to whom they render an indispensable service, that the business is a necessary one. One organization of national scope and reputation is having each borrower sign a slip or card in which the purpose of the loan is specified. If the loan is wanted for something that is not essential, the loan is declined. My hope is that others will follow this admirable example and that they will supplement it by additional data which will prove to any government official that the business in which he is engaged is essential to the community in which he serves.

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MARYLAND.

Thirty-seven licenses were issued by J. Dukes Downes, bank commissioner, to individuals, firms and corporations who expect to carry on the small loan business in Maryland in accordance with the new small loan law which became effective June 1st.

During the interim between the expiration of the old licenses under the Act of 1912 and June 1st, the attorney general was called upon for a ruling which he gave to Adam Deupert, clerk of the court of common pleas, as follows:

I was asked by your office some days ago to give you my opinion as to the license fees now required of petty loan brokers.

The present law providing licenses for petty loan brokers is contained in Bagby's Code, Article LVI, Sections 21A-21C, and Article XLIX, Section 7. The license fee required is $50 per annum, and the licenses expire on May 1st, next.

The Act of 1918, Chapter 88, repeals this law, and enacts what is known as the Uniform Small Loan Law. This act provides for the regulation of the business of making loans of $300 or less, at a greater rate of interest than six per cent. per annum, and requires a license fee therefor of $50 per annum, the licenses to expire on the first day of May succeeding their issuance. This law, however, does not take effect until June 1, 1918. The result, of course, is that until June 1, 1918, the present law will continue in force.

Petty loan brokers cannot lawfully conduct their business without the license required by the present law. If they do, they are guilty of a misdemeanor, and their loans are made void. Therefore, any petty loan broker who desires to conduct his business lawfully from May 1, 1918, when the existing licenses expire, until June 1, 1918, when the Act of 1918, Chap. 88, takes effect, will have to take out his license under the present law, and pay to the clerk of court the fee of $50 provided therefor.

On June 1, 1918, the new law will take effect. This law, as already stated, repeals the present law entirely, and makes it unlawful to conduct the small loan business, at a greater rate of interest than six per cent. per annum, unless the conditions of the new law are complied with. One of these conditions is that a license fee of $50 per annum must be paid to the bank commissioner, and a license obtained from him, the bank commissioner being given supervision over the small loan business under the new law. The result is that small loan brokers will have to secure licenses on June 1, 1918, from the bank commissioner, and pay him the fee of $50 provided therefor.

This will undoubtedly work a hardship upon petty loan brokers who desire to continue their business during the month of May, 1918, because they will be required to pay the clerk of court $50 for their licenses on May 1st, under the present law, which continues in force until June, and on June 1st they will be required to pay another fee to the bank commissioner for the licenses which, under the new law, will be required after June 1st. There seems, however, to be no escape from this.

The clerks have no power under the present law to prorate the $50 license fee on May 1st, by computing it upon the basis of one month only, because section 21A provides that "no abatement of said charge shall be made if said licenses are issued for less than one year."

The new law, however, provides in Section 2 that "if the license is issued for a period of less than twelve months, the license fee shall be prorated according to the number of months that said license shall run." As already stated, the licenses issued under the new law will expire on the first day of May succeeding their issuance, and, therefore, the fees charged under the new law for licenses issued on June 1st will be prorated on the basis of eleven months.

Very truly yours,
(Signed) ALBERT C. RITCHIE,
Attorney General.

The attorney general also was asked by the bank commissioner to render an opinion relative to that phase of the Act of 1918, which refers to the assignment of wages.

May 21, 1918.

You ask my opinion as to what effect the Act of 1918, Chapter 88, known as the Uniform Small Loan Act, has upon Sections 11 to 17 of Articles VIII of Bagby's Code, relating to assignments of wages, and upon Section 33 of Article IX of Bagby's Code, relating to the attachment of wages.

The Act of 1918, Chapter 88, contains full and special provisions regulating loans of $300 or less, and all acts and parts of acts inconsistent with its provisions upon this subject are expressly repealed. To the extent, therefore, that the above sections of Articles VIII and IX of the code are inconsistent with the provisions of the Act of 1918, Chap. 88, they are repealed; otherwise, they are not affected by the Act of 1918.

1. With reference to assignments of wages, I have compared the provisions of Section 8-11 of Article VIII, of Bagby's Code, with Section 17 of the Act of 1918, both of which deal with this subject, and find that there are only two really material respects in which the code is inconsistent with the Act of 1918.

a. Under the code, the assignor of wages is prohibited from paying more than six per cent. per annum upon the sum borrowed. This provision is, of course, repealed by the Act of 1918, which permits three and one-half per cent. per month.

b. The Act of 1918 permits the lender to collect ten per cent. of the borrower's wages from the employer at the times such wages are paid, provided the lender serves upon the employer a copy of the assignment, under affidavit and a verified statement of the amount due upon the loan.

2. With reference to attachments of wages, Bagby's Code, Art. IX, Sec. 33, provides that no attachment shall affect wages not due at the date of the attachment, and exempts from attachment $100 of the wages due. I find nothing in the Act of 1918 inconsistent with these requirements, so that the same are not affected by the Act of 1918.

3. Since the exemption of $100 is still in effect, and since the new law authorizes the lender to collect ten per cent. of the wages from the employer, the question arises whether this ten per cent. can be collected from the employer in cases where the wages due are less than $100. This, however, is a question which I think is not within your province to decide. It relates to the legal rights of the parties to the loan, and not to your administration of the law. The lenders will doubtless avoid the question by securing from borrowers a waiver of their exemption.

Very truly yours,
(Signed) ALBERT C. RICHIE,
Attorney General.

The Commissioner of Internal Revenue at Washington has ruled that the "Assignment of salary or wages," "The chattel mortgage," and the "Application for loan and financial statement of the applicant and affidavit of ownership" requires no revenue stamps. The "instalment note with judgment clause" requires a 2c stamp for each $100 or fraction thereof.

State Bank Commissioner J. Dukes Downes was reëlected by the Board of Public Works for the ensuing two years. Mr. Downes had forgotten the fact that his term was about to expire and knew nothing of his reëlection until some time after it had taken place.

Mr. Downes has been State Bank Commissioner since 1910, having first been appointed by the late Governor Austin L. Crothers. He has been reëlected every two years since and has made an excellent record. He names his own assistants, with the consent of the governor, and said yesterday afternoon that there will be no changes in his staff.

The attorney general has ruled that all licensees under the Act of 1918 may charge 40c notarial fee incident to the acknowledgment of the papers taken to secure a loan under the law of 1918, giving as his principal reason, that the law provides in addition to 3½% per month interest on balances, that the lender may charge the borrower any fees actually paid to a public officer. This is what the *Baltimore News*, in its issue of July 1st, had to say on the subject:

Under the uniform small loan law passed by the last session of the legislature complaints have come to the State Banking Commisisoner's office that licensees were charging unjustly to customers notary fees which the law forbade.

The *News*, in addition, has received a letter from a citizen signing himself "Justice," who says that the lenders of money under the new law have been charging a 40-cent notary fee, "some of them splitting 50-50 with the notary and some of them keeping it all."

Opinion by Ritchie.

This matter (according to J. Dukes Downes, Banking Commissioner) has been investigated by him and an opinion has been secured from Attorney General Ritchie on the matter. The attorney general's opinion is stated thus:

"Small loan brokers may charge borrowers the notary's fee allowed by law for the acknowledgment by borrowers of chattel mortgages, bills of sale or other papers which, under the law, are required to be acknowledged. This fee, of course, can only be charged in cases where the acknowledgment is actually made."

Under Section 14 of the small loan law it is stated that "in addition to the

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interest herein provided for (3½ per cent.) no further charge for examination, service, brokerage, commission or other thing * * * shall be charged, except the lawful fees actually paid out by the licensee to any public officer for filing or recording in any public office any instrument securing the loan."

The attorney general takes the position that the "lawful fees" mentioned include the notary's charge.

Have Right to Fee.

The State Banking Commissioner takes the position that the brokers have the right to have a clerk appointed notary public and to take his fee for themselves, if such an arrangement can be concluded between the broker and the notary-clerk.

According to Mr. Downes, the new law has driven more than half the small loan brokers out of business. Their registration last year was 80, while this year it is only 38.

NO PROFITEERING.

The small loan business, regulated as it is by state law in nearly all the thickly populated states where industrial workers are found in great numbers, offers no chance for the unscrupulous profiteer who has made himself so unpopular during the war. The small loan broker is licensed, bonded and supervised by state authorities. He must accept the rate allowed by the state in which he does business, although his fixed charges for doing business have necessarily increased during the war, or go out of business. About this there can be no doubt, for he is subject to inspection any day by a state official, and if he is a member of this association or any of its affiliated bodies, he is subject to the eye of every member, who is pledged to police the business and report any irregularities detected to the proper authorities.

"WORK OR FIGHT."

On account of a local draft board ruling that an employee of one of our Cleveland members, was engaged in a non-essential business, a committee consisting of Messrs. Hodson, East, and Kehr, has been appointed by the National Chairman, to confer with the proper national authorities and report the result of its efforts to the members at the earliest possible date.

THE COST OF LIVING.

In discussing the subject, "The War and Industrial Readjustments," before the Union League Club of Chicago, Harold G. Moulton, who has a national reputation as an economist, said:

"It must be noted that the rapid rise of prices in nearly every line is *forcing* rigid economy among the masses. Statistics just published by the government show that retail prices of foodstuffs in the United States are now 57 per cent. higher than they were in 1914, while general wholesale prices are 81 per cent. higher. Students of the question are unanimous in the belief that prices will continue to rise here throughout the war, just as they have in the nations of Europe. It will therefore shortly be impossible for the masses of our people to devote much of their earnings to the purchase of non-essentials. They will count themselves fortunate if they are able to purchase enough of the necessities of life to sustain themselves in a state of normal efficiency. Already in many cases the pinch of war prices is beginning to mean real privation."

WAR ESSENTIALS.

Napoleon said, "There are three things necessary to wage a war successfully: Money, more money, and still more money."

SUCCESS POINTERS.

A. Barton Hepburn, one of the greatest bankers in America, says in the *American Magazine* for July:

"To succeed in business for yourself, you must have imagination, vision, initiative, and of course, honesty and ability, industry, courage and bull-dog determination. Any man seriously lacking in any of these qualities should stick to the pay roll.

More mistakes, however, are made by assuming business responsibilties too late in life rather than too early. One should start in business for one's self when in the full vigor of youth, while one has the confidence and the resilience which enables one to overcome difficulties."

THE KINDS OF PEOPLE TO TRUST IN MONEY MATTERS.

Fred C. Kelly is the author of an interesting article in the August *American Magazine,* on the above subject. Every man or woman engaged in the small loan business will find the reading of this article of value to them. Here is just some part of the article:

"I asked three different credit men recently what occupations seemed to be most closely associated with the prompt payment of bills. It is interesting to note that all three men gave me the same answer. Each one said that, all other things being equal, he would rather trust a railroad man than a person of almost any other occupation. The reason is that a railroad man is trained to be systematic and punctual.

"Another credit man told me that for the amount of their income, lawyers and doctors—more particularly lawyers—are notoriously slow about settling bills. A lawyer hasn't the fear others have of being forced to defend an action in court. And then, any professional man gets his income spasmodically, irregularly. It is not so easy for him to fall into regular habits in his expenditures as the man who gets a certain amount of money every Saturday night.

"People of vast wealth are often the hardest to get money from. They are aware that the store proprietor knows they are good for whatever they owe. And as their income is from capitalistic rather than from salary sources they fall into the habit of keeping every dollar of their principal working in their own interest as long as possible."

INDIANA.

Messrs. R. F. Hartz and R. C. Aufderheide were elected delegates to the national convention to be held in Detroit, September 9th and 10th, with Mr. Hancock and Mr. Stewart as alternates.

At this same meeting, the members were adressed by Mr. Prass, supervising agent of small loan brokers in Inliana, who, during the course of his remarks stated that he was pleased to see the good work that the Indiana Association had accomplished, and that the members of the Indiana Association were giving him the least trouble in upholding the law. He also expressed the wish that every broker would become a member of the Indiana Association.

Mr. Robert Spencer, a Marion banker, also addressed the meeting, in which he expressed the opinion that loan companies were considered a better risk from a finanical standpoint now than they were formerly. He said he could see the rapid change being made in the business from one of hazard to that of firm and stable financial institutions.

INDIANA.

Here is the copy being used this month by the Indiana Association in its educational publicity campaign:

Facts You Should Know.

The small loan business is conducted upon a basis that is fair to both borrower and lender.

This is the result of many years of investigation and education, and to-day over thirty states have adopted laws regulating this necessary business.

People who have given the matter careful thought and earnest investigation are of the opinion that the Indiana Small Loan Law solves the small loan problem. This is further testified by the fact that the states of Maryland, Illinois, Maine, and Virginia have within recent months adopted laws similar to the Indiana statutes. Borrower and lender considered, the Indiana law is sound, fair and scientific.

Throughout the state some sixty different companies have organized themselves into the Indiana Association of Licensed Small Loan Brokers. The association has for its object mutual benefit and coöperation among its members; each has pledged himself to obey the law and to conscientiously adopt and live up to the declaration of principles of the association. The principles provide that each member pledge himself to assist by publicity in educating the public to the service rendered by small loan brokers and to use every honorable means to induce all persons lending money in this state to observe the rate, terms and methods fixed and prescribed by the Indiana State Legislature.

The Indiana Association of Small Loan Brokers will be pleased to receive any suggestions or complaints, which will receive careful consideration. Address

INDIANA ASSOCIATION OF SMALL LOAN BROKERS,
Service Department, 860 Lemcke Annex,
Indianapolis, Indiana.

THE LOAN GAZETTE

Official Organ of the American Association of Small Loan Brokers Which Is a Member of the Chamber of Commerce of the U. S. A.

Vol. III. No. 2. AUGUST, 1918. Price, $1.00 a Year.

NATIONAL CONVENTION.

All arrangements for the Fourth Annual Convention of the American Association of Small Loan Brokers have been made. In view of the conditions surrounding our national life at this time, no convention in the past has ever compared in importance to the one scheduled to take place at Hotel Pontchartrain, Detroit, Mich., September 9th and 10th. The part which the members of the Association have played in all of the campaigns essential to the success of the war, will be referred to and plans, so far as it is possible to make plans these days, will be made at the National Convention to meet the situations that are almost certain to arise until the war is won. How the new draft law will affect your business; whether it will be considered essential or not when the "Work or Fight" order is applied; what the chances are of collecting your money during the war, are all important. Here is the program, arranged for the convention:

Call to order by the National Chairman, J. H. Dyer; address of welcome in behalf of the Michigan Association, J. A. Macbeth; reading of minutes of last convention, National Secretary; report of the Executive Council, National Chairman; report of the Membership Committee, Dr. C. G. Mueller; report of the Committee on Legislation, C. H. Watts; report of the Committee on Laws, F. R. Hubachek; report of the Committee on Publicity, Col. C. Hodson; report of the Auditing Committee, W. A. Zumpfe; report of the Finance Committee, L. C. Harbison; report of the secretary, G. W. Kehr; report of the treasurer, J. H. Aufderheide; report of the special committees. The Soldiers' and Sailors' Civil Relief Act and the "Work or Fight" Order, O. W. Donart, Esq., Paulding, Ohio; The Small Loan Business Essential in War Times, R. M. Rutherford, Louisville, Ky.; Monday, 8 to 11 p. m., dancing. Educational Publicity and Coöperation with the Government in War Work, Roy F. Hartz, Indianapolis, Ind.; Progress and Hopes of the Illinois Association, L. T. Baker, Chicago, Ill. (followed by brief papers on practical subjects by several members of the Illinois Association); The California Situation, H. T. Birr. Oakland, Cal.; What the 1918 Uniform Law has done for Maryland, Howard Bryant, Esq., Baltimore, Md.; Auxiliary Legislation, Clarence Hodson, New York City; unfinished business; sketch, "A Day in a Loan Office," Messrs. Woodley, Schoonover, and Oldham, of Ohio; new business; nomination and election of officers; announcement of committee appointments. Tuesday, September 10th, 4 p. m., seeing Detroit.

Hotel reservations should be made immediately. The rates vary from $2.00 to $5.00 per day, according to the accommodations desired.

Supervising officials in the many states where the business has been regulated and supervision provided, have been invited, and some have accepted invitations to attend the convention.

WASHINGTON, D. C.

Under date of July 27th, the Associated Press gave out the following news:

The Railroad Administration is considering issuing an order forbidding the garnisheeing of the wages of the more than 2,000,000 railway employees as a means of eliminating the legal work caused by these actions. If this is done, it was said, special efforts will be made to force employees to pay their bills without court actions, however, and those against whom repeated complaint is made will be discharged.

This course would place railroad men in the same class, so far as garnishment is concerned, with government employees.

SITUATION WANTED.

Can you use as manager or general utility man, an applicant, aged 36, married, one child, 11 years' experience as manager and part owner of a small loan business in an Ohio city? Will retire from business with which he is at present connected, about September 10th. References and bond will be furnished to any one interested.

Address, "Ohio," c|o National Secretary, Harrisburg, Pa.

OHIO.

Chairman Dyer has appointed the following delegates to attend the National Convention: F. J. Schneider, E. R. Schoonover, C. C. Woodley, G. P. Carroll, J. Fred Anderson, S. L. Wertheimer, John Oldham, and Colonel D. H. Pond.

One of the best-looking, dignified and impressive letterheads to reach this office is the one used by the Shawnee Finance Co., Lima Ohio, formerly known as the Lima Collateral Loan Co. This letterhead shows the splendid use of the A. A. trade-mark, reduced to an appropriate size for letterheads, gives the names of the officers and the board of directors, and describes briefly the security on which loans are made. Morris E. Dye, of this company, has enrolled for active military service and is now located at Great Lakes.

H. G. DeWeese, examiner for the State Department of Securities, has recently started a crusade against illegal money lenders in Cleveland. Several arrests have been made of individuals who have been operating illegally. Judging from the success following Mr. DeWeese's efforts in Toledo, it is hoped and expected that he will rid Cleveland of all lenders who charge higher rates than the law allows, and disregard any of its provisions. It is needless to say that the American Association of Small Loan Brokers and the Ohio Loan Association are in sympathy with Mr. DeWeese's crusade and are ready to coöperate with him in any way possible to make the small loan business clean and legal.

WEST VIRGINIA.

The council of the city of Wheeling is agitated over the control of the small loan business in that city, and proposes a local ordinance and a high license tax. This is the same course pursued by the council of Louisville, Ky., about a year ago, and which after investigation, was abandoned in favor of a state license, state regulation, and state supervision. The bill proposed in Kentucky, however, did not become a law, but there is every reason to believe that it will at the time the next legislature meets. The state of West Virginia needs the Uniform Small Loan Law which has been approved by the Division of Remedial Loans of the Russell Sage Foundation, New York, and the council of Wheeling would do well to investigate the small loan problem with this branch of social service. Investigation in the neighboring states of Virginia, Maryland, Pennsylvania, and Ohio would develop considerable information worth while for the Wheeling council to decide this matter intelligently.

ILLINOIS.

Every indication points to a large delegation from the Illinois Association to the National Convention. The chairman, L. C. Harbison, the secretary, A. L. Weinschenk, and other prominent members, including L. T. Baker, Fred Huettman, and Mr. Napier, the attorney of the Association, are expected to be present. Mr. Baker and other members of the Illinois Association will participate in the National Convention program.

Robert Buckley, of the State Loan Co., Aurora, is now in the country's service.

The Peoples Loan Society, 3175 Lincoln Ave., Chicago, was recently elected to membership in the Illinois Association.

The same officers that served the Association last year were elected for the ensuing year.

THE LOAN GAZETTE

Established 1916.

Published monthly by the American Association of Small Loan Brokers. Edited by the National Secretary. Annual Subscription, $1.00; single copies, 10 cents.

Correspondence and items intended for publication should be addressed to Geo. W. Kehr, 204 Chestnut St., Harrisburg, Pa.

Communications cordially invited.

AMERICAN ASSOCIATION OF SMALL LOAN BROKERS.

NATIONAL OFFICERS, 1917-1918.

Chairman, J. H. Dyer, 205 Commerce Bldg., Columbus.
Treasurer, J. H. Aufderheide, 860 Lemcke Annex, Indianapolis.
Secretary, G. W. Kehr, 204 Chestnut St., Harrisburg.

VICE-CHAIRMEN.

Cal.—A. V. Hill, 400 Title Insurance Bldg., Los Angeles.
Ill.—L. C. Harbison, 81 E. Madison St., Chicago.
Ind.—A. C. Broughman, 304 Marion Natl. Bk. Bldg., Marion.
Iowa.—T. J. Harrison, 115½ E. 4th St., Waterloo.
Md.—William Young, 419 Munsey Bldg., Baltimore.
Mich.—J. E. Ryan, 707 Breitmeyer Bldg., Detroit.
N. J.—J. W. Whitstone, Frost Bldg., Plainfield.
N. Y.—R. W. Sharp, 51 Liberty St., New York.
Ohio.—J. H. Dyer, Esq., 205 Commerce Bldg., Columbus.
Pa.—V. D. Moss, 1210 Walnut St., Philadelphia.
R. I.—W. G. Wood, 268 Westminster St., Providence.
Unorganized States.—R. M. Rutherford, 202 Coleman Bldg., Louisville, Ky.

COMMITTEES.

Chairman, Auditing, W. A. Zumpfe, 701 Odd Fellows' Bldg., Indianapolis.
Chairman, Finance, L. C. Harbison, 81 E. Madison St., Chicago.
Chairman, Law, F. R. Hubachek, Esq., 610 McKnight Bldg., Minneapolis.
Chairman, Legislation, C. H. Watts, 1011 Chestnut St., Philadelphia.
Chairman, Membership, Dr. C. G. Mueller, 1006 Liberty Bldg., Philadelphia.
Chairman, Publicity, Col. C. Hodson, 25 Church St., New York.

The Executive Council is composed of the National Officers and Vice-Chairmen.

STATE SECRETARIES.

Cal.—J. G. Caldwell, 308 Broadway Central Bldg., Los Angeles.
Ill.—A. L. Weinschenk, 79 W. Monroe St., Chicago.
Ind.—R. C. Aufderheide, 860 Lemcke Annex, Indianapolis.
Iowa.—D. Esmond, K. of P. Bldg., Des Moines.
Md.—J. J. Wood, 9 Park Bank Bldg., Baltimore.
Mich.—H. D. Firth, 407 5th Natl. Bk. Bldg., Grand Rapids.
N. J.—F. B. Merritt, 46 Patterson St., New Brunswick.
N. Y.—E. P. East, 175 Fifth Ave., New York.
Ohio.—J. Fred Anderson, 401 Bushnell Bldg., Springfield.
Pa.—C. H. Watts, 1011 Chestnut St., Philadelphia.
R. I.—J. H. Wickstrom, 87 Weybosset St., Providence.

DECLARATION OF PRINCIPLES.

As revised by the Executive Council, January 21, 1918.

1. We will do what we can to dignify, uplift and standardize the small loan business in every quarter of the United States.

2. We will favor state legislation, uniform in character, providing licenses and supervision by a state official, with bond to the state, and providing legal rates and terms fair to both lender and borrower.

3. We will assist by publicity in educating the public to the service rendered by small loan brokers in this necessary business.

4. We will obey the small loan laws ourselves, and police the business.

5. We will regulate our public advertisements and circulars, so that they shall be dignified, truthful and straightforward.

6. We will keep our books and accounts in plain and understandable form, satisfactory to the licensing official and never refuse a borrower a statement of his account.

7. We will make an earnest effort to maintain good relations with all state officials and their examiners, and will always deal with them frankly in a spirit of coöperation, and in recognition of their duty to the public as well as to licensees.

8. We will not do anything to bring the business of the American Association of Small Loan Brokers, or our State Associations, into disrepute, or question as to our fair and lawful methods.

9. We will coöperate with all members of the American Association of Small Loan Brokers and our affiliated State Associations, in respect to accurate credit information and other advice and assist them in the collection of accounts, dealing with them in a spirit of fraternity and helpfulness.

10. We will do what we can to discourage the practice of making the same borrower or borrowers more than one loan on the same security at the same time.

NOTICE.

Members are requested to frame and display their certificate of membership in the customer's lobby.

COMMUNICATIONS.

42 KILLEEN ROAD, RATHMINES,
DUBLIN, IRELAND,
17th June, 1918.

DR. C. G. MUELLER,
Chairman, Mem. Com.
American Assn. Loan Brokers,
1006 Liberty Building,
Philadelphia, Pa.

Dear Sir: I am much obliged to you for your interesting letter of the 9th of May, and for the packet of literature which reached me some considerable time after the letter. Were it not for the delay in the packet reaching me, I would have replied to your letter long ere this.

With reference to the contents of your letter, I imagine that economic conditions in Great Britain do not materially differ from those obtaining in the United States. As in America we seem to have with us a class of people who find it necessary occasionally to make use of our services.

In spite of the deep-rooted prejudice which undoubtedly exists against the business of money-lending, the courts of law and the general public recognize that the business fulfills a widespread demand. Some years ago, owing chiefly to the many abuses which were practiced by an undesirable class of lenders who then monopolized the business, a Royal Commission was set up to investigate the charges, the outcome of which was that the Money Lenders' Act was passed in 1900.

This act, which was restrictive in intention, provided that all persons carrying on the business of money-lending, were compelled to register, were prohibited from trading except in their own or usual trade name, and were liable to punishment for issuing misleading advertisements or otherwise fraudulently inducing people to borrow money.

The main feature in the act, however, was the power given to any judge to open up any transaction which to his mind appeared to be "harsh and unconscionable." This, in practice, is taken to mean that even past transactions, long since closed, are liable to be reopened, and an account taken to see whether the charges, etc., are reasonable or not; and the judge has the power, frequently exercised, of allowing such interest as he thinks fit. The words "harsh and unconscionable" do not refer to the rates of interest only, but have reference to any other charge which may have been made, and even to the manner in which the transaction was carried out, having regard to the social and general position of the borrower.

In spite of the great powers which the judges have been given to reconsider and, if necessary, to reduce the interest charged, I do not think, generally speaking, there has been much cause for complaint against their decisions.

We have no uniform small loan laws limiting the rates of interest or prescribing for official inspection of lenders' books, although as late as 1913 an endeavor was made to push through a bill limiting the rate of interest to, I think, 12½% or 15% per annum. To my mind this would have destroyed legitimate business, which was probably the bill-framer's intention.

The difficulty of passing a bill limiting the rate of interest is, in my opinion, due to the fact that persons coming under the act do not confine themselves to small loans. Roughly speaking, lenders may be divided into four classes: those who lend from a shilling to a pound, those who lend from a pound to ten pounds (the average working man's loan), those who lend from ten pounds to a hundred pounds (which is the usual small traders' loan), and those who lend from 100 to as much as 1,000 and even more (which are the loans granted to the larger traders and the upper classes). The rates of interest are by no means uniform in any one class, and no class appears to be large enough to justify separate legislation.

I am not quite sure, but my impression is that American small loan brokers rarely lend without security in some form or other, either in the form of sureties, chattel mortgages, or salary assignments, but in Great Britain, with the occasional exception of bills of sale (similar to your chattel mortgage) and sureties, by far the greater amount of business is done on promissory notes containing the borrower's signature only, and the average rate of interest charged may, I think, be put at 5% per month.

For some years now there have been established money Lenders' Protection Associations, and of recent years their numbers have increased. These associations in turn are affiliated with the Money Lenders' Federation in London. Their tendency has been to attract a better type of lender, and to eliminate undesirable practices from the business, even to the length of instigating prosecutions against bad offenders. But primarily, their objects have been to counteract the many attempts to destroy the business, and to fight any legal decisions adversely affecting them.

Apart from an annual publication containing matters of general interest to the business (I am sorry I have not a copy by me at present), I know of no literature issued, though I am in hopes that after the war, efforts in that direction will be made without delay. Certainly they would do well to follow the American Association of Small Loan Brokers by publishing a journal similar to your LOAN GAZETTE, though perhaps in our present stage of development, it is as yet too much to hope that they will also institute an educational or propa-

ganda service similar to those which I see some of your Associations are doing.

I trust I have not bored you with this outline of the business as it is conducted in Great Britain, but my interest in the business is the only excuse I can plead.

The literature you recommend me I will certainly obtain, and I am sending for the Association Year Book and for a year's issue of the LOAN GAZETTE.

Again I beg to thank you for the very kind attention you gave to my requests, and I should like to say that if there is any matter or information relating to the business that you may at any time wish to obtain, I shall be very happy to oblige you if I possibly can.

Wishing your Association every success, I remain, yours very truly,

(Signed) JOHN JENKINS.

NEW JERSEY.

J. W. Whitstone, chairman, and F. B. Merritt, the secretary of the New Jersey Association, have been delegated to attend the National Convention from New Jersey.

MICHIGAN.

The Michigan Association expects to have 100% of their members in attendance at the National Convention at Detroit. J. A. Macbeth has been selected to deliver the address of welcome to the visiting delegates.

INDIANA.

The fact that Roy F. Hartz has been assigned to an important number on the program of the National Convention, will be sufficient to attract a large attendance from this state. Some of the notables expected are J. H. Aufderheide, W. A. Zumpfe, A. C. Broughman, and C. H. Stratton.

Sam H. Gelman, general office bookkeeper for W. A. Zumpfe, Indianapolis, is now in the country's service and with the Medical Corps at Valparaiso, Ind.

Note the interesting copy used this month by the Indiana Association in its educational work.

Charley's Aunt.

The old comedy farce entitled *"Charley's Aunt,"* is a play which is familiar to every one. For fifty years it has amused and pleased the public and is estimated to have made one million dollars for the author, and still earns a steady income for the heirs.

"Charley's Aunt" was promoted by borrowing money in small amounts at various times from loan brokers. Had the author not done so, the play probably would never have been produced and the vast fortune accumulated.

The above illustration is, of course, unusual and startling. However, it serves as an example of one of the many times where money advanced by small loan brokers has been acknowledged as the means of success for those who could not secure accommodations from other sources.

The majority of people who borrow money do so for a *necessary reason.* A large per cent. borrow money to pay bills accumulated through misfortune. Hundreds of homes have been purchased, the first payment having been borrowed from small loan brokers.

The small loan business renders a real service by extending financial assistance at the time when it is most needed.

The Indiana Association of Small Loan Brokers has for its membership nearly all of the brokers in the state. When securing a loan look for their membership certificate, which means to you that each member carries a license and is bonded to the state to fulfill every requirement of the law.

For your convenience we have established a service bureau to receive suggestions or complaints from any one, which will be given prompt and careful consideration. Address

INDIANA ASSOCIATION OF LICENSED SMALL LOAN BROKERS,
860 Lemcke Annex Bldg., Indianapolis, Ind.

VIRGINIA.

The *Evening Journal* of Richmond, Va., under date of August 24th, publishes the following:

"For the purpose of coöperating with the Banking Department in the supervision of small loans and clearing the loan business of objectionable features, local concerns engaged in legitimate loan operations have formed the Virginia Association of Small Loan Brokers. Most of the reliable concerns of the city doing small loan business have joined. Tentative officers have been elected as follows: L. E. Pope, of the Beneficial Loan Association, chairman; A. B. McMurtrie, of the Citizens' Loan Society, secretary; and J. S. Edge, of the Home Guarantee Company, treasurer. One of the principal organizers of the new movement is William Young, who is one of the national society chairmen. The American Association of Small Loan Brokers will convene in Detroit, September 9th and 10th. Mr. Pope will be delegate from this city."

The Virginia Association of Small Loan Brokers has applied for affiliation in the American Association of Small Loan Brokers and will probably be elected as a state member.

IOWA.

The Iowa Association has been seriously affected by the war. It has lost not only its popular and efficient chairman, Tate J. Harrison, who is now serving his country at Camp Pike, but it may also lose its treasurer, William DeBeaulieu, one of its livest wires, who expects to enter camp in the near future. An effort is now being made to have either the vice-chairman, E. V. Fulmer, or the secretary, Dennis Esmond, attend the National Convention to represent this state.

MARYLAND.

Howard Bryant, Esq., will be at the Convention to tell what the Uniform Small Loan Law of 1918, has done for Maryland. E. E. Hougham will be the regular delegate representing the Maryland Association at the convention. Mr. Young, chairman, has assured the National Secretary that he will be with us in Detroit.

Ogle Marbury, acting attorney general, under date of July 11th, rendered an opinion to J. Dukes Downes, Bank Commissioner, in which he held that in his judgment, Section 16, of the Maryland Law of 1918 prevents absolutely, the taking by any licensee of any confession of judgment or any power of attorney.

F. J. Hilgeman, distributing clerk in the main Baltimore post office for seventeen years, was arrested on a charge of robbing the mails. He was detected by decoy letters of several loan companies which have suffered considerably on account of his peculations for some time.

PENNSYLVANIA.

Messrs. Watts, Mueller, Moss, Ezekiel, Harris, Webster, and Kehr are expected to represent the Pennsylvania Association at the National Convention and to participate in the program.

These subjects received the serious consideration of the members of the Pennsylvania Association who attended the meeting in Philadelphia, August 27th: "How Will You Continue Your Business Under the New Draft Law?" "How You Can Help in the Sale of the Coming Liberty Loan," and "False Statement Law and Its Value to the Small Loan Business."

WARNING.

Don't be
SWINDLED
out of your
LIBERTY BOND

If anyone tries to trade you out of your Liberty Bond—*don't trade.*

If attempted to consider a trade take the trader to the nearest bank and ask the banker to check the value of the thing offered.

If you absolutely must have the money your bond can always be sold for cash in the open market and the daily papers will tell you what it is worth.

Keep your bond until the end of the war. Go without something you need rather than sell it. Your bond is your substitute on the fighting front. To part with it takes you out of the fight.

Instead of selling the bond you own buy another one to keep the first one company.

Liberty Bonds are the best security on earth to-day.

They are the *promise* of the United States Government to pay you interest twice a year and to pay the face value of the bonds when due. Their safety is the reason they carry a low rate of interest. Detach each coupon on the date it bears, take it to a bank and deposit it to your account, or draw the cash value.

Register your bonds, and keep them where they cannot be lost, stolen or destroyed. Go to a bank for information—many banks offer facilities for safekeeping of bonds. To lose an unregistered bond is the same as to lose that amount of money.

The above poster, 12x18, printed in red and black, is being issued by the U. S. Chamber of Commerce, a limited supply of which will be distributed among members as long as they last, if application is made to the National Secretary.

CALIFORNIA.

Senator William E. Brown, who has been trying for many years to secure the passage of a 1% bill in California, has organized a so-called Anti-Usury League, and in the name of that league has circulated a petition for a proposed initiative measure to be submitted to the California electorate in November. Briefly the measure provides for a contract rate of interest not in excess of 12% per annum on loans of less than $1,000, plus a fee of 5% of the amount of the loan, for investigations, appraisals, etc. Penalties are provided for violations. Having secured the required 100,000 signatures, the measure will be submitted to the people in November for a decision. A noted social worker said: "I think I can see why some people engaged in the business might not be greatly concerned over the passage of the measure, for of all the crude bills drafted by well-intentioned but uninformed people, this one is the limit. It not only provides for no supervision, license or regulation of any sort, but seems to me to permit a practically unlimited charge by a lender so disposed."

The proposed measure, together with an argument against it, follows:

An Act, to be known as the *Usury Law,* relating to the rate of interest which may be charged for the loan or forbearance of money, goods or things in action, or on accounts after demand, or on judgment, providing penalties for the violation of the provisions hereof, and repealing sections one thousand nine hundred seventeen, one thousand nine hundred eighteen, one thousand nine hundred nineteen, and one thousand nine hundred twenty of the Civil Code and all acts and parts of acts in conflict with this act.

The people of the state of California do enact as follows:

Section 1. The rate of interest upon the loan or forbearance of any money, goods or things in action or on accounts after demand or judgments rendered in any court of this state, shall be seven dollars upon the one hundred dollars for one year, and at a rate for a greater or less sum or for a longer or a shorter time; but it shall be competent for parties to contract for the payment and receipt of a rate of interest not exceeding twelve dollars on the one hundred dollars for one year and not exceeding that rate for a greater or less sum or for a longer or shorter time, in which case such rate exceeding seven dollars on one hundred dollars shall be clearly expressed in writing.

Section 2. No person, company, association or corporation shall directly or indirectly take or receive in money, goods or things in action, or in any other manner whatsoever, any greater sum or any greater value for the loan or forbearance of money, goods or things in action than at the rate of twelve dollars upon one hundred dollars for one year; and in computation of interest upon any bond, note, or other instrument or agreement, interest shall not be compounded, nor shall the interest thereon be construed to bear interest unless an agreement to that effect is clearly expressed in writing and signed by the party to be charged therewith. Any agreement or contract of any nature in conflict with the provisions of this section shall be null and void as to any agreement or stipulation therein contained to pay interest and no action at law to recover interest in any sum shall be maintained and the debt cannot be declared due until the full period of time it was contracted for has elapsed.

Section 3. Every person, company, association or corporation, who for any loan or forbearance of money, goods or things in action shall have paid or delivered any greater sum or value than is allowed to be received under the preceding sections, one and two, may either in person or his or its personal representative, recover in an action at law against the person, company, association or corporation who shall have taken or received the same, or his or its personal representative, treble the amount of the money so paid or value delivered in violation of said sections, providing such action shall be brought within one year after such payment or delivery. And any person, company, association or corporation, who shall ask, demand, receive, take, accept or charge more than twelve per centum per annum upon the sum of money actually loaned for the forbearance, use or loan thereof, when the repayment of the money loaned shall be secured by a mortgage, trust deed, bill of sale, assignment, pledge, receipt or other evidence of debt, except corporation bonds, and municipal and other public bonds, upon property, real or personal or by assignment of wages, or ask, demand, receive, take, accept or charge more than an amount equal to five per cent. so actually loaned and secured in all sums of one thousand dollars or less, and three per cent. on all sums over one thousand dollars in full for all examinations, views, fees, appraisals, commissions, renewals made within one year from date of loan and charges of any kind or description whatsoever, except abstracts or certificates of title charges made under the Torrens Land Law or otherwise, in the procuring, making and transacting of business connected with such loans, or who shall ask, demand, receive, take, accept or charge any fee, bonus or commission whatsoever for the use or loan or the procuring of such loan of any sum of money for a shorter period than six months when said loan is not secured by a mortgage or pledge upon real estate, or shall violate the provisions of sections one and two of this act. shall be guilty of a misdemeanor and upon conviction thereof shall be punished for the first offense by a fine of not less than twenty-five dollars nor more than three hundred dollars, or by imprisonment not more than six months, or by both such fine and imprisonment, and for each subsequent offense and conviction shall be punished by a fine of not less than one hundred dollars nor more than five hundred dollars and by imprisonment not less than six months nor more than one year. The penalties herein provided for the violation of this section and said sections one and two shall apply to and be imposed upon each member of any unincorporated company, association, or of any co-partnership and upon each officer and director of a corporation who shall violate either of said sections.

Section 4. Sections one thousand nine hundred seventeen, one thousand nine hundred eighteen, one thousand nine hundred nineteen and one thousand nine hundred twenty of the Civil Code and all acts and parts of acts in conflict with this act are hereby repealed.

Section 5. This act whenever cited, referred to, or amended may be designated simply as the "Usury Law."

ARGUMENT AGAINST USURY LAW.

This measure should be entitled "A measure to create a monopoly for the Loan Sharks and to squeeze the poor, needy and unemployed, and to drive the legitimate money lender out of business in this state."

Hon. Hiram W. Johnson, after a thorough investigation, vetoed a similar bill. A legitimate money lender cannot, without enormous loss, do business under such a measure and you cannot compel him to continue in his business by legislation. Under the statutes of this state the legitimate money lender makes only a reasonable profit. This measure will make it impossible for a legitimate money lender to operate honestly at a reasonable profit, and therefore he will retire from the field, leaving the "shark" as the only person available to meet the absolute requirements of the poor.

Loan sharks never operate under the law in any state, but in violation thereof. There are a few loan sharks who operate in this state notwithstanding the fact that there is to-day enacted a statute, with severe penalties attached, which prohibits the charge of a higher rate of interest than 2% per month. See Act 2637.

The people who seek such loans borrow sums averaging about $25.00 for periods averaging about six months. Under the laws of this state the lender would receive $3.00 as interest. To maintain his business he must have an office and employees. He must investigate the nature of the security, all for $3.00, in addition to risking his principal. Would you do it as a business proposition? No. And yet, under the statute submitted, the legitimate money lender cannot charge more than $1.50 for the same loan. Therefore the legitimate money lender will be driven out of business. The poor will still be poor. They will still need money to bury a child, buy medicine for a sick wife or mother, provide food or fuel for a family. Legislation will not change these conditions. They would be grateful to get money at 2% per month from any legitimate money lender, but under this measure they will be forced to go to the loan shark, who will have them at his mercy. He will do business as a criminal in violation of the law, just as he is doing to-day, only more successfully because he has no competitors.

Nearly all of the Eastern states have experimented with this measure and abolished it, and have passed laws encouraging legitimate money lenders to invest their caiptal to compete with and to drive out the loan shark. Don't be deceived by this ill-considered measure. Don't oppress the poor and needy for the purpose of creating a monopoly for the loan sharks.

Aside from a purely humanitarian standpoint, this measure will stifle hundreds of other legitimate business enterprises. It would drive millions of dollars out of the state of California.

If you want to take a good swat at the "Loan Shark," and for the sake of humanity and justice, vote "No."

UNIVERSITY OF ILLINOIS LIBRARY
APR 8 1922

INDUSTRIAL LENDERS NEWS

Official Organ American Industrial Licensed Lenders Association Which Is a Member of the Chamber of Commerce of the U. S. A.

Vol. III. No. 3. SEPTEMBER, 1918. Price, $1.00 a Year.

The Small Loan Business Essential in War Times

By R. M. Rutherford,

Manager, "Peoples Provident Association," Louisville, Ky. ("Member of National Federation of Remedial Loan Associations" and "American Industrial Licensed Lenders Association.")

There has never been a time when men in all walks of life did not, at some period in their lives, find it necessary to borrow money.

The capitalist calls upon his banker when making investments; the manufacturer could not successfully operate his factory without an established banking credit; the merchant must have money beyond the limits of his capital and calls upon his bank to supply the deficiency; likewise, the salaried man and wage-earner, called upon to meet some unusual and unexpected expense for which no adequate provision has been made, has to find some source of relief.

The business man of commercial standing can usually meet an unexpected obligation by making a loan with his bank on such banking securities as he may possess; he may mortgage his real estate; and his credit, if he has paid his bills promptly in the past, is good with his landlord and grocer for an extended period.

Banks and trust companies, however, do not seek the small borrower, and the average salaried man and wage-earner has no banking connection and no negotiable securities; his credit is limited and the thought of applying to a friend for help is repulsive, even if the friend were financially able to help him, which is seldom the case. He is honest and means to pay every obligation if given a reasonable chance. He looks around and finds that he has nothing of value which he can offer as security for a loan, but a mortgage on his household furniture. He realizes that a bank will not lend money on this class of security and that the only place from which he can secure the needed accommodation is the "small loan company."

The business of lending money on this particular class of security has been developed in recent years as the result of an absolute demand, growing out of our industrial and economic conditions; and the fact that the legislatures of twenty or more of our states—including New York, Pennsylvania, New Jersey, Massachusetts, Rhode Island, New Hampshire, Maine, Maryland, Virginia, Georgia, Ohio, Indiana, Illinois, Michigan, Iowa, Nebraska, Colorado, California, Oregon, and others—have, in recent years, passed laws legalizing, regulating and supervising the business of lending money in small amounts on classes of security not accepted by banks, establishes, beyond question, the fact that the "small loan company" is recognized by those who have studied the subject, as a necessary business institution. Especially is this true when one stops to consider that these state laws have been passed, not as political measures, but as the result of the efforts of public welfare and social service organizations assisted by practical business men, progressive commercial bodies and prominent citizens, who had made the problems of the wage earner a special study and whose only object in seeking legislation was a sincere desire to improve the conditions of the working classes and give them a place where temporary financial assistance could be secured. The "small loan company" bridges the chasm between the banking institution and the organized relief society. The patron of the small loan company would resent the insinuation that he is an object of charity. He is self-respecting, independent and proud; and asks only for a place where he can secure the needed accommodation, for which he is willing to pay a reasonable price.

Those who have not studied the problems of our working classes, may take the position that the small loan company encourages thriftlessness and extravagance; and is the haven of the family guilty of bad management and reckless living; but such is not the case. Many people do not realize that in every community there is a large class of wage-earners and salaried people, whose incomes, under the most favorable circumstances, are just about sufficient to remove them from the danger line of want and distress. There is no surplus even with the most careful management, to lay aside for the "rainy day"; no reserve for the time when the bread winner ceases to be productive, through temporary incapacity or other causes beyond his control; no surplus with which to pay the unexpected doctor's bill or provide, in advance, for the expenses of an operation necessary, perhaps, to save the life of some member of the family. The natural desire of every man to surround his family with as many comforts as possible; increasing families and the duties incumbent upon the proper education of children, combine to draw the line of expenditures close to the limit of income.

It may be argued that this is doubtless true in normal times, when factories are not running full time, wages are low, work is scarce, and men are frequently out of employment; but that in war time, quite different conditions exist. Every industry is now running full blast; factories of every description are begging for help; there never was such a demand for labor; and wages are higher than ever known before. No man who is in normal health need now be out of employment.

The question, therefore, for us to consider to-day is: "To what extent is the small loan business essential under the present changed conditions; and is the business really indispensable in war times?"

While it is true that the abundance of work and the high scale of wages has a tendency to make borrowing less necessary with certain classes of people, it is also true that the advance in the cost of every item entering into the living expenses of the average American family has quite kept pace with, if not exceeded the advance in wages. It is also human nature for the laboring man to spend more liberally now, than when wages were lower; to live better and supply his family with little luxuries which he was never before able to afford. The average working man is improvident and does not seem to realize that "war time" wages will not last forever; and that he should economize, save his surplus and prepare for a "rainy day." Or, he may have old debts hanging over him, which his present prosperity enables him to pay off. He is, therefore, as little prepared as before the war, to meet the unexpected demand, which is sure to come sooner or later in the form of sickness, death, or some other emergency which calls for the immediate expenditure of a lump sum of money. I am speaking of human nature as it is, not as it should be; and of conditions that really exist.

The steady increase in the cost of living has also affected very materially another class of people. I refer to the great middle class of people—teachers, clerks, salesmen, bookkeepers, office men of every description, railroad and street railway employees, professional men with limited practice, small merchants and manufacturers with little or no banking credit, and widows, depending for the support of themselves and children, upon the incomes from small in-

(*Concluded on page 2.*)

INDUSTRIAL LENDERS NEWS

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Communications cordially invited.

AMERICAN INDUSTRIAL LICENSED LENDERS' ASSOCIATION.

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Ohio.—J. Fred Anderson, 401 Bushnell Bldg., Springfield.
Pa.—C. H. Watts, 1011 Chestnut St., Philadelphia.
R. I.—J. H. Wickstrom, 87 Weybosset St., Providence.

DECLARATION OF PRINCIPLES.

As revised by the Executive Council, January 21, 1918.

1. We will do what we can to dignify, uplift and standardize the small loan business in every quarter of the United States.
2. We will favor state legislation, uniform in character, providing licenses and supervision by a state official, with bond to the state, and providing legal rates and terms fair to both lender and borrower.
3. We will assist by publicity in educating the public to the service rendered by industrial lenders in this necessary business.
4. We will obey the small loan laws ourselves, and police the business.
5. We will regulate our public advertisements and circulars, so that they shall be dignified, truthful and straightforward.
6. We will keep our books and accounts in plain and understandable form, satisfactory to the licensing official and never refuse a borrower a statement of his account.
7. We will make an earnest effort to maintain good relations with all state officials and their examiners, and will always deal with them frankly in a spirit of coöperation, and in recognition of their duty to the public as well as to licensees.
8. We will not do anything to bring the business of the American Industrial Licensed Lenders Association, or our State Associations, into disrepute, or question as to our fair and lawful methods.
9. We will coöperate with all members of the American Industrial Licensed Lenders Association and our affiliated State Associations, in respect to accurate credit information and other advice and assist them in the collection of accounts, dealing with them in a spirit of fraternity and helpfulness.
10. We will do what we can to discourage the practice of making the same borrower or borrowers more than one loan on the same security at the same time.

NOTICE.

Members are requested to frame and display their certificate of membership in the customer's lobby.

THE SMALL LOAN BUSINESS ESSENTIAL IN WAR TIMES.

(*Concluded from page 1.*)

vestments. The advance in their salaries and incomes has not by any means kept pace with the advance in everything essential to maintain a fair standard of living; and many who had never before found it necessary to borrow to meet unexepected emergencies, have, under present conditions, been compelled to seek financial assistance and have become patrons of the small loan company.

Many young men who had been the only or partial support of parents or younger brothers and sisters, patriotically volunteered their serivces in the army and navy at the beginning of the war, thus leaving greater responsibilities on those, whose earning capacities were small; and while our army is now composed, to a large extent, of young men without dependents, the deferred classes will gradually be called as the war advances; and with the extension of the draft age, every American citizen who is physically fit, will in a few months, be in the active serivce of the government, in some capacity.

The regular incomes of thousands of families may thus be reduced or be temporarily suspended, which means that money must be secured elsewhere to keep up the home obligations; to care for the sick, to pay the doctor, the druggist, the grocer, the landlord; to buy the winter's supply of coal, which *must be paid for in cash;* to pay the gas bill and the water rent in advance; to buy school books and properly fit out the children for school; to buy shoes and the necessary clothing for the winter; to keep up the life insurance and pay taxes on the home; and to take care of the thousand and one other obligations, entering into our complex American civilization, which call for ready money. In the months to come, many men with dependents will be called to the army. Their incomes as civilians will cease, in many cases, several months before they can expect any remuneration for services, from the government. Some provision must be made to take care of pressing obligations and furnish the family with the necessities of life, until the salary check comes from the government.

It may be argued that creditors should wait and grant unlimited extensions, which may be done in many cases; but a man's credit will soon be exhausted and no more can be obtained. There are also many necessities of American life which can be secured only with *cold cash.*

An unlimited extension of credit would also work quite a hardship on the small merchant, the corner grocer and the widow who may depend for a living, upon the rent from one or more small houses. If the business man can not collect from his customers he will be unable to meet his own obligations. He can't pay for his Liberty Bonds and War Savings Stamps; he can't make donations to the Red Cross, the Y. M. C. A., K. of C., and the numerous other organizations that are so vital in the winning of the war. The domestic wheels of commerce must be kept moving and even the *small* business life of the nation must be maintained to assist in raising the enormous sums of money necessary to bring the war to a successful conclusion.

Several million active men have been, and will be taken from the civil pursuits of American life, which will throw a greater responsibility upon women and those who by virtue of dependents, physical disability or old age, remain at home to "keep the home fires burning." The earning capacity of those thus exempted will naturally be small with obligations correspondingly large. Financial assistance from outside sources will therefore become an absolute necessity.

The conscientious industrial lender does not encourage unnecessary borrowing at any time, but looks carefully into the merits of each case, granting the loan only when convinced of the worthiness of the applicant and that the loan will meet a real need. Many offices are now requiring each applicant to sign a card specifying the use to which the money will be put, and if it is found to be non-essential, the loan is refused.

It is estimated that more than one hundred millions of dollars are loaned annually in the United States, in small amounts, on chattel mortgage security. Our country has now been at war about one and one-half years and the same legitimate financial demand continues to come to the small loan office as comes to the banker, who now finds just as many or more legitimate calls for money, from people with established credit and ample security, as he found in pre-war days.

The small loan business has been recognized as a necessity by all who have studied the problems of the poorer classes; and as stated, the business has been declared essential and legalized by action of the general assemblies of about one-half of the states of our Union.

The small loan company renders an indispensable service to-day and in my opinion, will become more vitally essential as the war progresses.

It requires the same quality of executive ability to successfully operate a small loan office, as it does to conduct a bank, a factory, or a department store.

Many perplexing problems are, each day, presented for solution in the small loan office. It is a peculiar business, the management of which can be entrusted only to executives of long training and approved ability.

THE ANNUAL CONVENTION.

The Fourth Annual Convention of the American Association of Small Loan Brokers was held at Hotel Pontchartrain, Detroit, Mich., September 9th and 10th. Sixty-two delegates and twelve states were represented in the official registration. The war no doubt prevented a larger attendance. The convention proved to be one of the most interesting ever held by the organization. The papers read were in accordance with the program announced in our official organ last month, and were of the very highest quality. The author of each paper showed such a splendid grasp of the subject discussed that the attention of the audience was riveted to each word spoken. Little, if anything, could be added after the conclusion of the papers, as the subjects were so exhaustively handled that nothing remained to be said.

Although every paper is of much interest to our entire membership, and will be printed in the Year Book, together with the officers of the National and state bodies, supplemented by an up-to-date list of our membership, the revised constitution and by-laws, and the latest draft of the Uniform Small Loan Bill, doubtless most of the delegates will agree that the paper of the hour was that read by Mr. R. M. Rutherford, on the subject entitled "The Small Loan Business Essential in War Times." The Executive Council regarded this paper so highly that they authorized that it be printed immediately in pamphlet form and distributed among our membership in the hope that it will serve to make our business better understood by government officials who will be expected to pass upon it on many occasions as the "Work or Fight" order and the Selective Draft Laws are put into operation. The paper is printed in this edition of our official paper, additional copies of which may be had by applying to the National Secretary, as long as they last.

Preceding the convention proper, the Executive Council met and discussed matters which have been pending for some time. They recommended that the name of our organization be changed to the "American Industrial Licensed Lenders' Association," believing that this name is more descriptive of ourselves and our business. It also recommended that the report of the special committee appointed at the council meeting last April, to consider revisions to the Uniform Small Loan Bill, be accepted. It recommended further that a membership certificate be issued to each member annually and that a charge of $1.00 be made for an additional membership certificate that may be required by any member who changes the name of his business organization during the year. Ways and means of filling out questionnaires incident to the Selective Draft Law and the "Work or Fight" order were also discussed with the hope that the necessity of the industrial loan business may be established.

The recommendations made by the Executive Council were approved by the delegates during the convention. The convention also directed that the name of our official organ be known hereafter as the "Industrial Lenders' News."

A motion purporting to make a charge of 20% to all members on foreign collections, as well as a motion proposing to charge non-members 25% on foreign collections, were tabled; the prevailing opinion being that members should continue reciprocity in the matter of collections so that one of the advantages held out to members who joined the Association might be continued. The prevailing thought about the collection of foreign accounts for non-members seemed to be that this service should not be rendered at any price.

A special committee consisting of Messrs. Watts, Mueller, the National Secretary, and the National Chairman, was appointed to revise the constitution and by-laws in the hope that some of the contradictory elements may be removed, and that the provisions may be simplified.

The reports of the officers and committees were very much appreciated and will appear in detail in the Year Book, but the treasurer's report, which is of paramount importance, and which had the approval of the Auditing Committee, is as follows:

RECEIPTS.

Balance July 7, 1917, ...	$600 39
Dues paid by California Assn.	145 00
" " " Illinois Assn. ..	595 00
" " " Indiana Assn. .	855 00
" " " Iowa Assn.	50 00
" " " Maryland Assn..	172 50
" " " New York Assn.	35 00
" " " Michigan Assn..	165 00
" " " New Jersey Assn.	210 00
" " " Ohio Assn.	400 00
" " " Penna. Assn. ..	805 00
" " " Rhode Island Assn.	155 00
" " " Individuals	495 00
LOAN GAZETTE subscriptions ..	42 00
Sales of Year Book	303 00
	$5,027 89

DISBURSEMENTS.

Stationery, supplies and postage	$358 50
Office rent	210 00
LOAN GAZETTE	285 89
Salaries and services	2,172 50
Traveling expenses	1,037 61
Miscellaneous expense	237 09
Printing Year Book.	130 80
Balance, Sept. 5, 1918	595 50
	$5,027 89

Mr. Macbeth's address of welcome started the ball of the convention rolling, and proved to be one grand boost for Detroit, supported by a mountain of statistics which gave the delegates the impression that Detroit was about the only place on the map in this great, great U. S. A. The National Chairman, J. H. Dyer, made a fitting response in which he expressed the appreciation of the delegates of the courtesies afforded by the Michigan Association.

The paper of O. W. Donart, Esq., of Paulding, Ohio, "The Soldiers' and Sailors' Civil Relief Act and the Work or Fight Regulation and Their Effect Upon the Small Loan Business," proved intensely interesting and enabled the delegates to better understand these two important government regulations.

Howard Bryant, Esq., of Baltimore, made some very practical suggestions in regard to securing legislation, in the discussion covered by his paper entitled "Legislation and the Uniform Small Loan Bill." Mr. Bryant's experience as a lawyer and legislator makes his opinion on this important subject both valuable and dependable.

The papers read by Mr. L. T. Baker, of Chicago, and prepared by Charles Napier, Esq., Chicago, Charles Turgrimson, Fred Snite, A. L. Weinschenk and himself, were all of practical and helpful stripe and will all assist in the important work still to be done by our Association.

Mr. Roy F. Hartz's paper on the subject, "Coöperation with the Government in War Work and Educational Publicity," was of such a high order and showed such a splendid accomplishment that it won for him at the conclusion of the convention, the national chairmanship of Publicity, for the coming year.

If you saw any one of these papers announced in a magazine or pamphlet and knew that it was related to the industrial loan business, you would pay gladly, $1.00 for a copy. It is proposed now to print all of the papers in the Year Book, together with other important information, and sell the whole book for $1.00. The book will contain probably twice as many pages as the Year Book of last year, and it will be published, if possible, not later than November. Order copies now through your State Secretary at $1.00 per copy. If you are engaged in the business in a state where there is no state secretary, order through the National Secretary.

The convention unanimously adopted the following resolution:

Resolved, That the American Industrial Licensed Lenders' Association pledges its undivided support, both in the letter and the spirit, to our government, in the sale of Liberty Bonds, W. S. S. and Thrift Stamps, and also,

In the securing of contributions to the Red Cross, Y. M. C. A., Knights of Columbus, and other like organizations,

And that the members of this Association as individuals also pledge themselves to the sacred duty of maintaining our national interests during this great emergency, and the aiding of our government in every way in its great task of winning the war.

Consistent with the spirit of the times, the convention decided to abandon both the dancing and banquet, features which have always been pleasant at former conventions.

The convention elected the same National officers for the ensuing year. The chairmen of committees apointed, are as follows: Auditing, W. A. Zumpfe; Finance, L. T. Baker; Law, F. R. Hubachek; Legislation, W. P. Woll; Membership, C. G. Mueller; Publicity, R. F. Hartz.

An invitation was received from the Philadelphia Chamber of Commerce to hold the next Annual Convention in the city of "brotherly love." This invitation, together with the suggestion that our next convention be held about the same time and place as the National Federation of Remedial Loan Associations, was referred to the Executive Council for action.

The committee appointed to consider a more equitable plan of fixing the amount of dues which members should pay to the National body, recommended that no change be made in the existing method at this time.

The names of the delegates and the states represented are as follows: INDIANA—J. H. Aufderheide, Indianapolis; R. C. Aufderheide, Indianapolis; Joseph Baum, Ft. Wayne; A. C. Broughman, Marion; H. H. Burrell, South Bend; W. G. Chandler, Indianapolis; G. C. Grinsteiner, Indianapolis; W. R. Hancock, Indianapolis; Roy F. Hartz, Indianapolis; A. V. Keeney, South Bend; Jessie A. Rohrer, Goshen; W. E. Smith, Rushville; Robt. Spencer, Jr., Marion; W. A. Zumpfe, Indianapolis.

ILLINOIS—L. T. Baker, Chicago; J. A. Breen, Chicago; C. B. David, Chicago; L. C. Harbison, Chicago; B. E. Henderson, Chicago; W. I. Marsh, Chicago; C. A. Meilicke, Chicago; C. R. Napier, Chicago; J. B. Skinner, Chicago; F. B. Snite, Chicago; Chas. Turgrimson, Chicago; F. E. Tyson, Danville; A. L. Weinschenk, Chicago.

OHIO—T. P. Carroll, Akron; J. F. Anderson, Springfield; O. W. Donart, Paulding; J. H. Dyer, Columbus; T. F. Kerwin, Chicago; W. J. Kirkpatrick, Cleveland; John Oldham, Sidney; W. K. Parker, Cleveland; F. J. Schneider, Cleveland; S. L. Wertheimer, Cleveland; C. C. Woodley, Toledo.

MICHIGAN—E. W. Cone, Detroit; H. D. Firth, Grand Rapids; E. J. Jordan, Muskegan; J. A. Macbeth, Detroit; J. E. Ryan, Detroit; W. G. Stevens, Detroit; F. E. Stroup, Grand Rapids; I. H. Stroup, Grand Rapids; F. S. Whaler, Grand Rapids.

PENNSLYVANIA—A. S. Ezekiel, Philadelphia; G. W. Kehr, Harrisburg; V. D. Moss, Philadelphia; C. G. Mueller, Philadelphia; C. H. Watts, Philadelphia; E. B. Webster, Philadelphia; A. L. Wickenhoefer, Philadelphia.

MARYLAND—E. E. Hougham, Baltimore; Wm. Young, Baltimore.

KENTUCKY—R. M. Rutherford, Louisville.

MINNESOTA—F. R. Hubachek, Minneapolis.

NEW JERSEY—F. B. Merritt, New Brunswick.

RHODE ISLAND—W. G. Wood, Providence.

VIRGINIA—L. E. Pope, Richmond.

ARKANSAS — Almon Cotton, Hot Springs.

SITUATION WANTED.

Position as manager by a man 52 years of age, who has had twelve years successful experience as manager and owner and has supervised a group of offices. Fully capable of giving as good service as ever. Can give best of references and furnish any bond required. Further information at interview. Address, Editor, Industrial Lenders' News, Box 778, Harrisburg, Pa.

COMMUNICATIONS.

WAR DEPARTMENT,
OFFICE OF THE PROVOST MARSHAL GENERAL,
WASHINGTON, Sept. 9, 1918.

To Employers and Other Representatives of Industry.

The time has come when I must address to you some recommendations as to your share of responsibility in the classification of the new registrants under the Selective Service Act. I have noticed, in the general expressions of the public attitude which reach this office, two frequent features which lead me to the present comments. One of these features is the belief that the process of awarding deferred classifications to a registrant requires merely the filling out of the questionnaire, and that the selective service boards will perceive the propriety of making the deferment, without the assistance furnished by the registrant's formal claim indicating the deferment desired. The other feature is the employer's failure to realize his responsibility to intervene in aiding the board's determination and therefore to inform himself fully on all the considerations which should affect the decision as to deferment. Both of these features are due to a single larger fact, viz., a failure on the part of many to reflect on the industrial considerations governing deferred classification.

1. As to the first mentioned belief, it must be pointed out that if it were universally acted upon, the process of classification would be seriously hampered and delayed. Some one *must* indicate that the individual case is one which should arrest the special attention of the boards in respect to the registrant's occupational status. The boards do not possess a superhuman omniscience.. Nor are they permitted by circumstances to devote unlimited time to the search of questionnaires for possible grounds of claim. In 1917, out of more than 3,000,000 registrants called, only 140,000 filed occupational claims, or 4.7 per cent.; thus 95 per cent. of all registratnts raised no question of such deferment. Under the questionnaire system the exact scrutiny of every page of this 95 per cent. of questionnaries presenting no occupational claims would have been an intolerable expenditure of time, involving a delay fatal to the speed and decisive action necessary for filling the army.

The boards will do all that they possibly can, on their own initiative, to reach a just decision by a complete examination of the questionnaire even where no claim is expressly made, following in this respect the spirit of the Secretary of War's statement made before the House Committee on Military Affairs on August 19th, last. "It is not easily possible—it is, perhaps, not possible at all—to do that without some aid from the men affected; but as far as it is possible we ought to have the facts developed by the answers to the questions which the man makes and call on him for as little aid as we can in determining, whether or not he is to be exempted." A registrant is therefore at liberty, if he sees fit, to trust to the scrutiny of the boards to discover the necessity for his deferment.

Nevertheless, the boards will welcome and will need all the aid that can be furnished by the indication of a claim made for deferment. With this aid, the process will become a simple and speedy one. Time and labor will not be wasted on needless search; and ample time will be gained for thorough attention to those cases explicitly raising a question of occupational deferment.

But who is to make that claim? Ordinarily, the registrant himself will indicate the claim on his questionnaire. But if through mistaken chivalry, he should fail to do so, another may make it for him. In industry, agriculture, or other occupations, this other person will naturally be his employer or some other representative of his associated group. And this brings me to the second feature above mentioned.

2. Why should the employer, or other third person, in such cases, make the claim? Because the employer in this situation represents the nation,—because (in the statutory phrase) "the maintenance of the military establishment or of national interest during the emergency" requires that some well-advised third person should look after that national interest, which the registrant himself may not have sufficiently considered.

It is at this point that I wish to address to employers (and other representatives) the suggestion that they charge themselves, more systematically than hitherto, with this responsibility. I have above referred to such third persons as "well-advised," and this is the place to emphasize to employers the importance of making themselves well advised for the execution of this duty.

How many employers, having charge of some industrial or other occupational group, have hitherto taken pains to inform themselves systematically which of their employees are registrants and which are not? How many have studied carefuly the required conditions for occupational deferment, as laid down in the President's regulations pursuant to the statute? How many have made it a point to survey their entire plant so as to single out the really indispensable individuals? With the oncoming of a more extensive registration, an even larger outlook is necessary. The general industrial conditions, the supply of skilled men in the industry at large, the possibilities of training substitutes, the availability of women workers—these are some of the considerations which bear directly on the need of occupational deferment as related to the need of the army.

The cessation of enlistments will henceforth protect industry against one irregular and uncontrollable source of derangement. It will correspondingly throw upon the selective service system the greater responsibility for an intelligent and discriminating selection made in the light of industrial needs. But this responsibility is shared by employers and all who represent groups of workers. To fulfill this responsibility they must now prepare themselves even more carefully than hitherto. They will find the boards heartily ready to coöperate with them to the utmost.

The keynote of purpose for all of us ought to be, and I am sure will be, that wise and profoundly significant phrase in the Act of Congress under which we operate, "the maintenance of the military establishment or the effective operation of the military forces, or the maintenance of national interest during the emergency."

E. H. CROWDER,
Provost Marshal General.

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INDUSTRIAL LENDERS NEWS

Official Organ American Industrial Licensed Lenders Association Which Is a Member of the Chamber of Commerce of the U. S. A.

Vol. III. No. 4. OCTOBER, 1918. Price, $1.00 a Year.

WEST VIRGINIA.

The first man to make the supreme sacrifice in the war for democracy, from the industrial loan business from this state, is Corporal F. G. Williams, who was killed in action during the summer. Until August of last year, Mr. Williams was employed by J. H. Aufderheide in the West Virginia Loan Co., Charleston, W. Va.

This interesting communication was received during the month, from A. B. Hilton, editor of the *Wheeling, Majority*, Wheeling, W. Va, under date of Sept. 27.

"A Committee of the Wheeling City Council and citizens are endeavoring to work out a solution here of the 'Small Loan Question,' commonly called the 'Loan Shark Evil.' We will be under obligations to you if you will send us information."

"Thanking you in advance for your expected kindness, I am, Sincerely yours."

The National Secretary made a brief reply and introduced to Mr. Hilton, the work of the American Association, and then referred the letter to Mr. Arthur H. Ham, Director of the Division of Remedial Loans, Russell Sage Foundation, New York, who replied as follows:

"I am in receipt of your letter of Sept. 27, also your letter of the same date to Mr. Kehr, which has been referred to me for reply.

"The problem of regulating the small loan business is one that the states of the Union have been grappling with for many years. Many attempts have been made to abolish high rates on small loans by the passage of drastic legislation that would bring about the extermination of the business—either by prohibitively high license taxes or the allowance of impossibly low interest rates—but without success. It has been proven over and over again that the business cannot be eliminated and states that have attempted to eliminate it in this fashion are literally infested with extortionate money-lenders.

"The small loan business has grown up in response to needs that are, in part, real and pressing. Any attempt to place unreasonable restrictions on the business results only in driving it further into the dark, increasing the cost of loans to borrowers and eliminating all except unscrupulous money-lenders. The business cannot be eliminated but it can be regulated and controlled by the passage of legistation allowing a fair return on money invested to licenses supervised and controlled by the banking department or some other state department.

"State legislation regulating the loan business is preferable to municipal ordinance, because of the benefits accruing from uniform state supervision and control and because of the greater ease with which a municipal ordinance can be evaded.

If it is the desire of your City Council to improve small loaning conditions I suggest that they assist in the introduction in the state legislature of the uniform small loan bill which has been approved by this Division of the Russell Sage Foundation and the American Association of Small Loan Brokers, a copy of which I enclose. This bill was enacted in 1917 in Illinois, Indiana, Maine and in slightly amended form in New Hampshire and was enacted in 1918 in Maryland and in amended form in Virginia. It provides for the licensing and supervision of lenders of sums of money of $300 or less, by a state department which has ample regulative powers. A small license fee $50 or $100 to cover the cost of supervision and a bond are required and licensees are compelled to submit to examination. Adequate penalties for violation are provided. Licensees may charge 3½% per month interest but no further fees or charges as a source of profit. The interest rate is liberal enough to attract reputable capital into the business and the power given the licensing and supervising official is sufficient to compel loan companies to obey the law. Only by a law of this kind will the evils of the business be eliminated. This statement is based not on theory but on a knowledge of the history of the movement to improve the business gained in ten years' association with it.

"I am sending you under separate cover several pamphlets on the subject of remedial loans. After you have gone over these, and the uniform draft of bill, I shall be glad to hear from you."

INDIANA.

The Indiana Association has again been foremost in advertising the Fourth Liberty Loan. Instead of the customary publicity which the Indiana Association has been running regularly each month, half pages advertising the Liberty Loan were in order during the recent campaign. Many of the members took an active part in making the Liberty Loan campaign in Indiana a success. A. C. Broughman acted as Chairman of the clearing house committee in Marion.

George A. Long, formerly manager of the Peoples Collateral Loan Co., Fort Wayne, Indiana, enlisted and is now at Camp Taylor, Ky. Charles A. Jolly formerly with the Legal Loan Co., Logansport, Ind., enlisted and is now located at Jefferson Barracks, Mo., Carl H. Geise, and Byrd H. Harrod, both of Fort Wayne, and George B. Clements, and Glenn E. Kantz, of Indianapolis, all formerly employed by J. H. Aufderheide, are now in the military service of the country.

Mr. Richardson of the B. & T. System in Indianapolis, has filed his questionnaire, claiming classification on industrial grounds stating that the loan business is essential. A number of the B. & T. System employees are now in the military service of the country, as follows: Harry Blocksom of Terre Haute, Ind., is at Camp Sherman, Chillicothe; Lieutenant Elwood H. Critchfield, of Shelbyville, Ind., Co. G., 3rd Regular Replacement Camp, Aviation Section, is at Camp McArthur, Waco, Tex.; Edward Rhodes, of Capitol Loan Co., Shelbyville, Ind., is in vocational training at Indianapolis. The System has a gold star for Private Paul Cross, (volunteer), Battery E 150th Field Artillery, killed in action on Western Front, France.

Each member in the various state associations is urged to send any article which might be used in an educational publicity ad., to the National Chairman of Publicity, R. F. Hartz, 205 Law Building, Indianapolis, Ind.

NEW JERSEY.

Philemon L. Hoadley, who died recently, was not only the head of an important business institution of Newark, the American Insurance Company, but a worthy citizen in every respect. Three or four Newark men had the provident loan act passed by the Legislature thirteen years ago, but he was the leader in the good work and was the first president of the Newark Provident Loan Association, which has loaned nearly $2,500,000 in small amounts at a moderate interest rate. The object of the movement was to defeat the loan sharks and it was the first successful step taken in this State to put them out of business. Mr. Hoadley's principal work was alone in the insurance field and the American Insurance Company is stronger to-day because for several years he was its president. But the Provident Loan Association is one of his achievements and as it goes on through coming years befriending people in need it will serve as a lesser memorial, as the American Insurance Company will be the greater, of his contributions to the betterment of the world.

F. B. Merritt, Secretary of the New Jersey Association, was very active in making the Fourth Liberty Loan campaign, a success in that state.

INDUSTRIAL LENDERS NEWS

Established 1916.

Published monthly by the American Industrial Licensed Lenders Association. Edited by the National Secretary. Annual Subscription, $1.00; single copies, 10 cents.

Correspondence and items intended for publication should be addressed to Geo. W. Kehr, 204 Chestnut St., Harrisburg, Pa.

Communications cordially invited.

AMERICAN INDUSTRIAL LICENSED LENDERS' ASSOCIATION.

NATIONAL OFFICERS, 1918-1919.

Chairman, J. H. Dyer, 404 Bank of Commerce Bldg., Columbus.
Treasurer, J. H. Aufderheide, 860 Lemcke Annex, Indianapolis.
Secretary, G. W. Kehr, 204 Chestnut St., Harrisburg.

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Cal.—A. V. Hill, 400 Title Insurance Bldg., Los Angeles.
Ill.—L. C. Harbison, 81 E. Madison St., Chicago.
Ind.—A. C. Broughman, 304 Marion Natl. Bk. Bldg., Marion.
Iowa.—T. J. Harrison, 115½ E. 4th St., Waterloo.
Md.—William Young, 419 Munsey Bldg., Baltimore.
Mich.—J. E. Ryan, 707 Breitmeyer Bldg., Detroit.
N. J.—J. W. Whitstone, Frost Bldg., Plainfield.
N. Y.—R. W. Sharp, 51 Liberty St., New York.
Ohio.—J. H. Dyer, Esq., 404 Bank of Commerce Bldg., Columbus.
Pa.—V. D. Moss, 60 De Long Bldg., Philadelphia.
R. I.—W. G. Wood, 268 Westminster St., Providence.
Va.—L. E. Pope, 402½ E. Marshall St., Richmond.
Unorganized States.—R. M. Rutherford, 202 Coleman Bldg., Louisville, Ky.

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Chairman, Finance, L. T. Baker, 109 N. Dearborn St., Chicago.
Chairman, Law, F. R. Hubachek, Esq., 610 McKnight Bldg., Minneapolis.
Chairman, Legislation, W. P. Woll, 337 W. Madison St., Chicago.
Chairman, Membership, Dr. C. G. Mueller, 1006 Liberty Bldg., Philadelphia.
Chairman, Publicity, R. F. Hartz, 205 Law Bldg., Indianapolis.

The Executive Council is composed of the National Officers and Vice-Chairmen.

STATE SECRETARIES.

Cal.—J. G. Caldwell, 308 Broadway Central Bldg., Los Angeles.
Ill.—A. L. Weinschenk, 79 W. Monroe St., Chicago.
Ind.—R. C. Aufderheide, 860 Lemcke Annex, Indianapolis.
Iowa.—D. Esmond, 312 Century Bldg., Des Moines.
Md.—J. J. Wood, 9 Park Bank Bldg., Baltimore.
Mich.—H. D. Firth, 407 5th Natl. Bk. Bldg., Grand Rapids.
N. J.—F. B. Merritt, 46 Patterson St., New Brunswick.
N. Y.—E. P. East, 175 Fifth Ave., New York.
Ohio.—J. Fred Anderson, 401 Bushnell Bldg., Springfield.
Pa.—C. H. Watts, 1011 Chestnut St., Philadelphia.
R. I.—J. H. Wickstrom, 87 Weybosset St., Providence.
Va.—A. B. McMurtrie, 417 E. Broad St., Richmond.

DECLARATION OF PRINCIPLES.

As revised by the Executive Council, January 21, 1918.

1. We will do what we can to dignify, uplift and standardize the small loan business in every quarter of the United States.
2. We will favor state legislation, uniform in character, providing licenses and supervision by a state official, with bond to the state, and providing legal rates and terms fair to both lender and borrower.
3. We will assist by publicity in educating the public to the service rendered by industrial lenders in this necessary business.
4. We will obey the small loan laws ourselves, and police the business.
5. We will regulate our public advertisements and circulars, so that they shall be dignified, truthful and straightforward.
6. We will keep our books and accounts in plain and understandable form, satisfactory to the licensing official and never refuse a borrower a statement of his account.
7. We will make an earnest effort to maintain good relations with all state officials and their examiners, and will always deal with them frankly in a spirit of coöperation, and in recognition of their duty to the public as well as to licensees.
8. We will not do anything to bring the business of the American Industrial Licensed Lenders Association, or our State Associations, into disrepute, or question as to our fair and lawful methods.
9. We will coöperate with all members of the American Industrial Licensed Lenders Association and our affiliated State Associations, in respect to accurate credit information and other advice and assist them in the collection of accounts, dealing with them in a spirit of fraternity and helpfulness.
10. We will do what we can to discourage the practice of making the same borrower or borrowers more than one loan on the same security at the same time.

NOTICE.

Members are requested to frame and display their certificate of membership in the customer's lobby.

MEMBERSHIP.

Dr. Mueller, Chairman of the Membership Committee, suggests the following means of increasing our memberships. He asks your co-operation.

"Aside from the circular letter appeal to the State Secretaries to canvass all licensees would it not be well to add the suggestion that at the meeting of the respective State Associations that it be suggested to members living in the different localities be appointed committees of as many as it is possible to get together to make personal solicitation on the non-member licensee. May I also suggest that some publicity be given this movement to accelerate the A. I. L. L. A. membership by making reference to it in the INDUSTRIAL LENDERS NEWS. Would it be advisable to have a small squib in each month for the next several months as an evidence that there is a campaign on foot to increase members in the A. I. L. L. A.

"Since the loan fraternity is a wide one and not all lenders being either licensed or members of state or national body, would it not be advantageous in the appeal to the state secretaries to make the further suggestion that the state secretary would invite the names and addresses of any lenders in any part of he United Sates (which would include organized and unorganized territory). The idea then is to make up a list of these names and continue a methodical campaign of circularizing to these to become members."

MEMBERSHIP ROSTER.

Since many affiliated state and individual members have not yet paid their A. A. membership dues which were payable August 1st, it becomes necessary to say that not only their membership, which carries with it many advantages and privileges, is in jeopardy, but they are seriously delaying the publication of the 1918 Year Book, which is eagerly waited by many members who have ordered copies. Only members whose names appear in the Year Book are in good standing and entitled to receive the INDUSTRIAL LENDERS NEWS, assistence in the collection of foreign accounts, and the right to display the A. A. membership certificate.

The National Secretary's office is obliged to conduct considerable correspondence relative to delinquent dues which could be employed in activities which would be more beneficial to the organization. We urge customers to pay promptly and tell them of the high cost of collecting delinquent accounts. The same thing applies to ourselves with respect to our organization. The names of members whose dues remain unpaid after November 10 will be brought to the attention of the executive council, with the recommendation that they be dropped from the membership roll and all rights and privileges denied them until arrearages are made good.

UNITED WAR WORK CAMPAIGN.

Bruce Barton, Chairman of the National Publicity Committee, asks us to do what we can to make the United War Work campaign, which will be conducted November 11-18, 1918, a success. At that time, $170,500,000, for the boys over here and over there, must be raised. The money will be used by the Y. M. C. A., Y. W. C. A., National Catholic War Council K of C., Jewish Welfare Board, War Camp Community Service, American Library Association, and Salvation Army. Make your work and contribution count in this campaign which must succeed if these organizations are to receive the necessary support to "Carry on."

VIRGINIA.

Progress is being made by the new Virginia Association, which has elected for permanent officers, Chairman, L. E. Pope, Richmond; Vice-Chairman, J. H. Hancock; Treasurer, J. S. Edge; Secretary, A. B. McMurtrie; Executive Committee, C. S. Thompson, William Young, V. D. Moss, and James H. Goss. A Constitution and By-Laws similar to that of the New York Association have been adopted. L. B. Williams of Norfolk has been appointed Chairman of the Membership Committee and C. H. Thompson Chairman of the Publicity Committee. The name of the organization has been changed to the Virginia Industrial Licensed Lenders Association, to conform with the name of the national body.

KENTUCKY.

Instalment Houses Are Jolted by Appeals Court.

FRANKFORD, KY.—The practice of some instalment houses of placarding the houses of delinquent customers received a jolt when the court of appeals held the method libelous in the case of Mary Thompson, of Latonia, against Adelberg & Berman, Inc., of Covington.

She came home and found in her window and elsewhere about the premises stating that "our agent has called on you for payment" and she would be saved annoyance by payment at the store.

She sued for $3,000 libel, but a demurrer was sustained in her petition. The court of appeals, in an opinion by Commissioner Clay, remanded the case for trial.

CALIFORNIA.

In the August issue of our paper, we published in full, a copy of the Initiative Measure upon which the California voters will be permitted to record their preference at the polls on election day early next month. We prefaced the bill by a brief statement in opposition to it. During the past month, the following letter was sent to the business men s organizations social service bodies and newspapers in the hope that the people of California might be given an opportunity to consider this bill with their eyes open.

"By way of introduction, permit the writer to say that the American Industrial Licensed Lenders Association is made up of between three hundred and four hundred individuals, firms and corporations which are engaged in the business of making loans to necessitous persons in sums of $300.00 or less, and for the most part under State supervision in some twenty-three states of our Union.

"Some of the activities of our organization are set forth in our official organ, which until recently was known as THE LOAN GAZETTE, but from this month on will be known as the INDUSTRIAL LENDERS NEWS. Our Year Book of last year will also give you some conception of our work, as well as a copy of what is known as the Uniform Small Loan Bill, which was drafted by the Russell Sage Foundation of New York and has been approved for enactment by this and many public welfare organizations and newspapers. This bill is the result of many years of investigation and study in the principal Eastern states, that is, the states known for their industrial activity and the states which are most thickly populated. It has become a law in about twenty-three states of this country. In some states of course, it has been slightly modified to meet local conditions, but the main purposes of the bill have been retained.

"To show the trend of the times and a recognition of the small loan business as an important factor in the financial structure of this country, Maine, Indiana, and Illinois; and New Hampshire and Utah (with slight modifications) enacted this bill into law in their 1917 Legislature; Maryland and Virginia, with modifications, in 1918. In somewhat similar form, regulatory small loan laws exist in Massachusetts, Rhode Island, New York, New Jersey, Pennsylvania, Ohio, Michigan, Iowa and Nebraska. West Virginia, Kentucky, Colorado, and Texas are considering the adoption of the Uniform Bill at the next Legislature. It was approved by one branch of the Legislature in Kentucky in 1918, and doubtless will be enacted in 1920.

"We have been informed of the pending Initiative Measure in California, the sponsor of which we understand to be Senator William E. Brown and the Anti-Usury League. As an organization of American business men, whose membership is conducting their business in accordance with the laws of the states in which they are located, we stand for the improvement of small loan conditions in the United States, where improvement is necessary. We recognize that conditions need improvement in California, but we do not believe that the Initiative Measure known as the Usury Law, upon which your voters will be permitted to record their preference on your election day in November, is the kind of legislation that will improve existing conditions. The measure lacks all the essentials which have been recognized by students of the small loan problem, permits practically an unlimited charge upon the borrower, provides no supervision, license or bond, and consequently will be a great disappointment to the people of the state if enacted into law. Permit us to quote the opinion of Arthur H. Ham, the man who has done more than any individual known in the United States, to improve small loan conditions in this country. He is Director of the Division of Remedial Loans, Russell Sage Foundation, New York, a philanthropic organization which has no money to loan but has only for its object, the improvement of living conditions in this country. Here is what Mr. Ham has to say:

"'This is one of the crudest and most abortive bills that has ever been drafted. The campaign has apparently been waged so far on the basis of the need for correcting or driving out the usurious money-lenders and it has been taken for granted by the people who have signed the petition that the bill is going to accomplish that result. Out of all the newspaper clippings that have come in, I have seen only one editorial that raised any question as to the adequacy of the measure. The fact is that while the bill purports to limit the charge that may be made by money-lenders, to 1% per month, it actually permits a charge of more than 72% per annum; that is, it authorizes a contract rate of interest of 12% per annum and further provides that the penalty provision shall not apply unless the lender charges more than 5% of the amount loaned in addition to interest. This 5% allowed for examination, fees, appraisals, renewals, etc. is not 5% per annum, but 5% of the amount loaned, which may apparently be taken on a loan of any duration, and need not be computed on unpaid balances. It is entirely possible, therefor for leaders to make loans for one month and charge therefor 1% for interest and 5% for examination. If the loan is paid off and a new loan made immediately, the 5% charge may be made again for re-examination. In addition to the foregoing there is an implied authorization to charge an unlimited bonus or commission when a loan is made for a period of more than six months. The bill provides for no supervision, license or any sort of regulation over the methods of business employed by money-lenders and no means of getting evidence of violation and is in other respects one of the crudest and most unsatisfactory bills that I have ever seen. Instead of being a drastic measure which one would naturally oppose because it aimed to put the money-lenders out of existence, instead of regulating their operations, it is on the contrary a measure which, masquerading as a drastic law actually opens the door wide to unlimited extortion. The enactment of this measure into law would be one of the worst setbacks that has ever taken place in the history of the movement to improve small loan conditions.'

"This opinion is also held by a number of leading California lawyers who have been consulted on the subject.

We hope that your organization will give this matter serious consideration and will adopt resolutions opposing it and that the action taken will be published in your local newspapers. Notification of any action taken will be very much appreciated.

"P. S. We shall be pleased to join your organization and any other public welfare bodies which may be interested in enacting into California law, the Uniform Small Loan Bill which has greatly improved conditions in other states, when your Legislature meets next winter."

ILLINOIS.

The Illinois Association found a novel way of assisting the Fourth Liberty Loan Campaign. The idea was conceived that instead of making subscriptions through the local channels, that each member of the Illinois Association should subscribe for the number of Liberty Loan Bonds that he could purchase, through the Secretary of the Illinois Association. The idea seemed to work out splendidly in Chicago, where a large number of bonds were sold to the Chicago members through the Association. It did not work so well outside of Chicago as the members of the Illinois Association were obliged to subscribe through local organizations.

These new members have been added to the Illinois Association membership list as a result of an intensive membership campaign in that state: Star Loan Co., Joliet; Arthur H. Green, Chicago, Danville Credit Co., Danville; and the Union Investment Co., Chicago.

August Storr, formerly an employee of J. H. Aufderheide, at Peoria, Ill., is now serving his country.

MARYLAND.

The members of the Maryland Association arose to the occasion in the Fourth Liberty Loan campaign during the last week and sacrificed space which they are accustomed to take to advertise their own business to give publicity to the Liberty Loan campaign. A number of the members of the Maryland Association were very active in the successful work done in Baltimore to put the loan "over the top." Every office displayed posters and assisted in the sale of the bonds.

The manager of the Central Loan Co. was recently called before the draft board to show cause why he should not get another job or fight. The man in question is married and has one child. At the hearing an able defense of the industrial loan business as an essential one was made, and of this man's indispensability to that particular business. We have not been informed of the decision of the draft board if it has reached one.

IOWA.

One of Mr. J. H. Aufderheide's employees, Ralph E. Kaufold, of Davenport, Iowa, is now serving the colors.

MICHIGAN.

The Michigan Association is taking steps to have the Uniform Small Loan Bill introduced at the next session of the Legislature. The Directors of the Provident Loan Society are taking quite an interest in the matter and we feel that when the time comes we will have all of our big guns in place with plenty of ammunition, including gas shells. Steps are being taken for a special meeting of the Michigan Association to further our plans and also to have the Uniform Bill drafted to fit Michigan.

No employers of any Michigan company have as yet been drafted, although some questionaires have been sent in.

The National Secretary has received during the past month, the twelfth annual report of the Provident Loan Society of Detroit, which is prefaced by this interesting statement:

"On June 30, 1918, the Provident Loan Society completed its twelfth year, and the Directors take pleasure in submitting a summary of the work in the following pages:

"During the past year $306,473.96 was was loaned in 5,048 loans, the average amount of each being $60. Of that number 1151 loans were made to new borrowers. Two thousand one hundred and seventy-five to old customers who had paid off loans in the past, and 1,722 were loans which had to be renewed owing to some unforeseen emergency making necessary the securing of more money before the old loan was paid. Collections during the twelve months amounted to $264,670,17. There are at present 3,432 open accounts on the books, averaging $41.51.

"Accounts charged to Profit and Loss during the year numbered 52, amounting to $982.00, and 16 accounts totaling $306.00 were charged to Benevolent Loss. As the average outstanding loan balance was $132,912.00, these losses are about 1%. The directors in this connection wish to call attention to the fact that men of many years' experience in the loan business state that 2% is a reasonable loss to be expected.

Of the 3,432 open accounts on the books, 64 were found by the auditor to be delinquent as follows: On 45, no payments were made in 30 days; on 20, no payments were made for 60 days; on 7, nothing in 90 days; and on 18, nothing in a longer period. While it might seem that these last 18 accounts, amounting to $674.00 are lost, yet in many cases extensions were arranged for because of sickness; in others, the security being in storage is practically in the Society's possession.

Every application is carefully judged on its own merits, and this necessitated the rejection of 343 applications for loans during the year. The reason for refusing in a great majority of cases was because of the apparent non-essential purposes for which the money was asked.

The war has not affected the Society's business to any marked extent, only some eight or ten loans so far being rendered uncollectible during the period of the war because of enlistments.

While borrowing might not seem to be as necessary during the present period of high wages, it must be remembered that the cost of living has kept pace with and in many instances practically offset the increase, so that the calls for money for doctor and hospital bills, taxes, coal, and many other needs are as frequent as in pre-war times. The Manager finds that a very large proportion of the Society's clients, are subscribers to the Liberty Loans, Patriotic Funds, etc. and believes that the majority are holding their bonds and not realizing on them as soon as paid for."

An analysis of the report which follows, shows that the business employs about $150,000 capital and that it made about 6% on this money last year.

The average loan balance has grown from $26,930 in 1907 to $132,912 in 1918. The number of loans has increased from 1,936 to 5,048 in the same period.

Fred Rieddorf, formerly with J. H. Aufderheide, in Detroit, is now with the colors.

OHIO.

Every one will be grieved to learn of the death of E. J. Schoonover, who passed away at Wilbur Wright Field, Dayton, Ohio, on Thursday, Oct. 10th, a victim of lowbar pneumonia. The deceased enlisted in the Aero Service of the U. S. Government during November, 1917. Up to that time he was secretary of the City Loan & Savings Co., Lima, Ohio, and immediately after his enlistment was elected Honorary Vice-President. He was sent to Texas where he remained for several months and last June was transferred to the Wright Field, at Dayton, Ohio, and attached to the Supply Squadron at this point. At the time of his death he was going on his twenty-ninth year. He is survived by his mother, Mrs. H. B. Middleton, of Philadelphia, and three brothers and three sisters. He was recognized locally as a man of exceptional business ability and has always been an exponent of all that is fair and legitimate in the loan business. His loss is mourned by hosts of friends wherever he was known.

P. J. O'Conner, who was elected Secretary of this corporation to succeed E. J. Schoonover, has also enlisted recently in the service of the Government and is now taking training at the Great Lakes Training Station, at Great Lakes, Ill., where he is studying to become a wireless operator.

Several employees of the B. & T. System, have entered the military service. Mr. Austin Potter of Lima, Ohio, is now Sergeant in the Heavy Artillery Officers Training School at Camp Taylor, Louisville, Ky. Barton L. Minturn of the Springfield Loan Co., Springfield, Ohio, is now stationed at Camp Jackson, South Carolina. Mr. L. L. Bishop of the Capital Loan Co., Columbus, Ohio, has been drafted and passed physical examination and expects to be called to a training camp at any time.

Herbert Starr, of Dayton, Ohio, and Leslie Tracy, of Akron, Ohio, formerly employees of Mr. J. H. Aufderheide, are now serving their country.

Mr. F. J. Schneider, manager of the Cleveland-Household Loan Co. writes under date of Oct. 9, as follows:

"It has often occurred to me that in our line of business, we should substitute some phrase for the term 'Office Hours' for printed matter, etc. more representative of our line of business. When banks refer to this at all, they use 'Banking Hours' and most large stores use 'Store opens ..... and Store closes .....

"It seems to me that 'Office Hours' in our business savors too much of 'Loan Office.' It might be that the term 'Business Hours' would be more descriptive, or simply the word 'Hours,' but it seems something more expressive than the above could be suggested. I also believe that in talking to or writing about one another, we should if possible, avoid the term 'So and so's office,' by finding a better word to describe the institution referred to. It would of course, be highly desirable if in each town our various institutions could be so well and favorably known, that the institutions name would be sufficient to visualize many details of the business without our having to resort to the necessity of stipulating these various things on our letterheads, advertising, etc., but that no doubt, will be asking too much. At any rate there may be some who will agree with me that we are due for some changes along these lines."

The National Chairman, J. H. Dyer, writes as follows:

Quite a number of our members lately have been writing to me about skips. Would it not be a good idea to run a feature in the Industrial Lenders News, giving the name and address and a slight description of any person, the whereabouts of whom some of our members may desire to know? This could be written up in the proper way and nothing objectionable need be put in the article, and our members would then be on the lookout for such skips and we might in this way be of great assistance in locating them. This is only a suggestion and there may be some objection to it."

If this suggestion meets with your approval and you have any skips that you desire to have located, please send the proper description for publication.

RHODE ISLAND.

The Rhode Island Association is considering a change in its name to the Rhode Island Industrial Lenders Association, to conform as nearly as possible to the new name assumed by the national body at the Annual Convention.

J. D. Degnan, outside man for the Household Loan Co., Providence, recently enlisted in the Naval Reserves and is stationed at Newport, R. I.

At the meeting of the Rhode Island Association held Sept. 20, the Secretary, J. H. Wickstrom suggested that every member connected with the various associations throughout the United States, be on the alert for any newspaper comments resulting from either a local or a district draft board declaring our business necesary or otherwise, during the period of the war and such clippings to be sent immediately to the local secretary to send the clippings to the secretary of the American Association to be used whenever they are an advantage to the industrial loan business.

NOTICE.

Please write the National Secretary of any news you may have for publication.

UNIVERSITY OF ILLINOIS LIBRARY
APR 8 1922

INDUSTRIAL LENDERS NEWS

Official Organ American Industrial Licensed Lenders Association Which Is a Member of the Chamber of Commerce of the U. S. A.

Vol. III. No. 5. NOVEMBER, 1918. Price, $1.00 a Year.

MARYLAND.

The Maryland Association met in Baltimore, November 12th. It considered an important report of a committee consisting of Messrs. Hougham, Watts and Masters, in regard to the proposed revision of the chattel mortgage used in this state. The report of the committee indicates that the matter was given exhaustive study and deals in detail with each suggested change, and was concluded by a recommendation to the Association that the present form now in use be retained until such time as a better form could be found. The report was approved by the Association.

Beginning January 1, 1919, the Association agreed that the hours of all members should be from 8:30 a. m. to 5:30 p. m., and commencing with June 1st, offices shall close at one o'clock on Saturdays during the summer.

In the absence of the Chair, William Young, V. D. Moss, Vice-Chairman, presided.

True to the purposes for which the Maryland Association was organized, the Maryland State Banking Department will be notified by a committee appointed for that purpose of some violations of the present law, which are being practiced by some lenders, not members of the Association.

PENNSYLVANIA.

The annual meeting of the Pennsylvania Association was held at the Adelphia Hotel, Philadelphia, November 21st. In addition to interesting reports which were given by the officers and committees, covering the year's progress, a banquet was served at 6:30 p. m., after which the following spoke: Bertram D. Rearick, Esq., on "The Work Before Us"; Hon. Edwin R. Cox, on "The Father of the Cox Law"; V. D. Moss, on "How the Public Has Benefitted by Regulation of the Small Loan Business"; E. F. Moore, on "Handling a Business by Mail."

The committee in charge of the banquet deserve the thanks, appreciation and congratulations of each member who was fortunate enough to attend, for the excellent program arranged. It not only consisted of excellent speakers, but the entertainment was of such a nature that each one of the sixty-seven members who were fortunate enough to be present, expressed it as the finest thing of the kind ever held.

At the business meeting the subject of auxiliary legislation was laid on the table.

The question of advertising in cities outside of Philadelphia was also considered, but no definite policy was adopted and will not be, until the next meeting held in January.

The name of the Association was changed to the Pennsylvania Industrial Licensed Lenders Association, to be consistent with the change made in the name of the national body.

The officers elected for the ensuing year, are as follows: Chairman, A. S. Ezekiel, Vice-Chairman, E. P. East, Vice-Chairman, A. V. Hart; Secretary, C. H. Watts; Treasurer, C. H. Harris. A. J. Schroder is the new chairman of the Executive Committee.

National Efficiency.

In discussing the subject, "The Need for National Efficiency," Otto H. Kahn, the noted banker and publicist, said:

"No one can occupy a prominent and influential place in the republic of business unless he is trusted completely by those who observe him closest and know him best, i. e., his fellow busines men. Brains, knowledge, character and service are the qualifications required. Let a man retrograde, deteriorate, go astray, and the business community will soon find it out and, however high the position he may occupy, will exercise the 'recall' by withdrawing its confidence and ceasing to follow him."

OHIO.

On November 4, 1918, R. V. Barto, Chief Examiner, Chattel Loan Bureau, issued from Columbus the following instructions to all licensees under the chattel loan division of the Department of Securities:

"You are hereby advised that in figuring interest on final payments of all loans, this Department rules that interest may be collected only to the day on which payment is made. This is a modification of and supersedes the temporary ruling made February 3, 1916.

"You are further advised that the inspection fee allowed by law can only be collected 'at the time the loan is made' and cannot again be imposed on the same borrower, even though more than four months shall have elapsed, except that it may be collected on a new or additional loan on the expiration of such time. This is a modification of and supersedes a ruling made July 24, 1916.

"These rulings become effective on and after November 11, 1918.

"If any further information is desired, it will be cheerfully furnished."

Under the date of November 20th, Mr. Barto addressed the following communication to the National Secretary, with respect to loans on Liberty Bonds by industrial licensed lenders.

"The various acts of the various states regulating the lending of money on chattels, it seems to me, are predicated on two admitted facts, viz: that there are a large number of poor and necessitous borrowers who have, and can have, no banking credit, and who must, at times, have money and can only get it by paying a higher rate of interest for its use than banks received; second, that this want will be supplied, either under the cover and protection of law, or illegitimately, and if the latter, at extortionate rates of interest.

"It would appear, therefore, that permissive and regulatory laws have been enacted for the purpose of protecting the poor and necessitous borrowers, and at the same time, allowing a decently satisfactory rate of interest to those who may wish to engage in the business. The holder of Liberty Bonds can hardly be said to be 'poor and necessitous,' and therefore, the lending on such security at any rate greater than the legal rate permitted to any one, is virtually, while not legally so to licensees, in contravention of the laws against usury, and such lending should be eliminated by licensees under special acts, as tending to put the reputable and regular business of lending on chattels in disrepute, to say nothing of the question of tending to discredit our government securities."

CREDIT MEN ASK FOR RULING.

The Retail Credit Men's National Association in convention recently voted to send a committee to Washington to get a ruling from Federal Administrator McAdoo as to whether workers on the railroads of the country are Government employees or employed by the different railroads. The Association decided to take the case to the Supreme Court for a decision as a railroad official recently refused to accept a garnishee writ upon the grounds that the debtor was in the employ of the Government. The point has been widely discussed and it is hoped that a speedy decision will be arrived at.

COMMUNICATIONS.

During the past month a number of requests have been received for copies of the INDUSTRIAL LENDERS NEWS from various organizations, among which the following from the New York American and Associated Newspapers, is typical:

"Thank you very much for your courtesy in connection with the INDUSTRIAL LENDERS NEWS, several copies of which have just come to hand.

"It is my hope to make such use of your publication as will be of material advantage to both of us.

"Very sincerely yours,
"T. C. SHOTWELL,
"Business Editor."

INDUSTRIAL LENDERS NEWS

Established 1916.

Published monthly by the American Industrial Licensed Lenders Association. Edited by the National Secretary. Annual Subscription, $1.00; single copies, 10 cents.

Correspondence and items intended for publication should be addressed to Geo. W. Kehr, 204 Chestnut St., Harrisburg, Pa.

Communications cordially invited.

AMERICAN INDUSTRIAL LICENSED LENDERS' ASSOCIATION.

NATIONAL OFFICERS, 1918-1919.

Chairman, J. H. Dyer, 404 Bank of Commerce Bldg., Columbus.
Treasurer, J. H. Aufderheide, 860 Lemcke Annex, Indianapolis.
Secretary, G. W. Kehr, 204 Chestnut St., Harrisburg.

VICE-CHAIRMEN.

Cal.—A. V. Hill, 400 Title Insurance Bldg., Los Angeles.
Ill.—L. C. Harbison, 81 E. Madison St., Chicago.
Ind.—A. C. Broughman, 304 Marion Natl. Bk. Bldg., Marion.
Iowa.—T. J. Harrison, 115½ E. 4th St., Waterloo.
Md.—William Young, 419 Munsey Bldg., Baltimore.
Mich.—J. E. Ryan, 707 Breitmeyer Bldg., Detroit.
N. J.—J. W. Whitstone, Frost Bldg., Plainfield.
N. Y.—R. W. Sharp, 51 Liberty St., New York.
Ohio.—J. H. Dyer, Esq., 404 Bank of Commerce Bldg., Columbus.
Pa.—V. D. Moss, 60 De Long Bldg., Philadelphia.
R. I.—W. G. Wood, 268 Westminster St., Providence.
Va.—L. E. Pope, 402½ E. Marshall St., Richmond.
Unorganized States.—R. M. Rutherford, 202 Coleman Bldg., Louisville, Ky.

COMMITTEES.

Chairman, Auditing, W. A. Zumpfe, 701 Odd Fellows' Bldg., Indianapolis.
Chairman, Finance, L. T. Baker, 109 N. Dearborn St., Chicago.
Chairman, Law, F. R. Hubachek, Esq., 610 McKnight Bldg., Minneapolis.
Chairman, Legislation, W. P. Woll, 337 W. Madison St., Chicago.
Chairman, Membership, Dr. C. G. Muelier, 1006 Liberty Bldg., Philadelphia.
Chairman, Publicity, R. F. Hartz, 205 Law Bldg., Indianapolis.

The Executive Council is composed of the National Officers and Vice-Chairmen.

STATE SECRETARIES.

Cal.—J. G. Caldwell, 308 Broadway Central Bldg., Los Angeles.
Ill.—A. L. Weinschenk, 79 W. Monroe St., Chicago.
Ind.—R. C. Aufderheide, 860 Lemcke Annex, Indianapolis.
Iowa.—D. Esmond, 312 Century Bldg., Des Moines.
Md.—J. J. Wood, 9 Park Bank Bldg., Baltimore.
Mich.—H. D. Firth, 407 5th Natl. Bk. Bldg., Grand Rapids.
N. J.—F. B. Merritt, 46 Patterson St., New Brunswick.
N. Y.—E. P. East, 175 Fifth Ave., New York.
Ohio.—J. Fred Anderson, 401 Bushnell Bldg., Springfield.
Pa.—C. H. Watts, 1011 Chestnut St., Philadelphia.
R. I.—J. H. Wickstrom, 87 Weybosset St., Providence.
Va.—A. B. McMurtrie, 417 E. Broad St., Richmond.

DECLARATION OF PRINCIPLES.

As revised by the Executive Council, January 21, 1918.

1. We will do what we can to dignify, uplift and standardize the small loan business in every quarter of the United States.
2. We will favor state legislation, uniform in character, providing licenses and supervision by a state official, with bond to the state, and providing legal rates and terms fair to both lender and borrower.
3. We will assist by publicity in educating the public to the service rendered by industrial lenders in this necessary business.
4. We will obey the small loan laws ourselves, and police the business.
5. We will regulate our public advertisements and circulars, so that they shall be dignified, truthful and straightforward.
6. We will keep our books and accounts in plain and understandable form, satisfactory to the licensing official and never refuse a borrower a statement of his account.
7. We will make an earnest effort to maintain good relations with all state officials and their examiners, and will always deal with them frankly in a spirit of coöperation, and in recognition of their duty to the public as well as to licensees.
8. We will not do anything to bring the business of the American Industrial Licensed Lenders Association, or our State Associations, into disrepute, or question as to our fair and lawful methods.
9. We will coöperate with all members of the American Industrial Licensed Lenders Association and our affiliated State Associations, in respect to accurate credit information and other advice and assist them in the collection of accounts, dealing with them in a spirit of fraternity and helpfulness.
10. We will do what we can to discourage the practice of making the same borrower or borrowers more than one loan on the same security at the same time.

NOTICE.

Members are requested to frame and display their certificate of membership in the customer's lobby.

MASSACHUSETTS.

The report of the Supervisor of Loan Agencies of Massachusetts, published January 1st of this year, relates an interesting development in Boston, which has practically eliminated in that city the "doubling-up" evil. The reference may be found on pages 16 and 17 of the report, and is as follows:

"The Chattel Loan Company absorbed the City Loan Company, Globe Loan Company, Cronin Company, J. Goodman Company, Hooker Credit Company, A. A. Hooker Company, M. E. Maloney Company, and Employees' Loan Association.

"Edward R. Tolfree, of the former City Loan Company, was elected president; M. Frank Cronin, of the former Cronin Company, was elected treasurer; Julius Goodman, of the former J. Goodman Company, was elected clerk, and James Waters, of the former Employees' Loan Association, and Allan A. Hooker, of the former Hooker Credit Company and A. A. Hooker Company, were elected assistant treasurers. The absorption by the Chattel Loan Company of the companies mentioned removed one of the most obnoxious features of the money-lending business. Prior to the revival of the Chattel Loan Company there was nothing to prevent a borrower from making a loan with each of the eight companies it absorbed. Many borrowers were prone to borrow from as many companies as possible without taking into consideration future entanglements which such a multiplicity of transactions would develop. A borrower in his application would state when securing his first loan that he was not a borrower elsewhere, and would make the same statement at each loan office at which he subsequently borrowed. With the identity of the several companies merged into the Chattel Loan Company a borrower can now secure but one loan of said company, thus diminishing to a very appreciable extent one of the features which had been open to severe criticism.

"The Chattel Loan Company had loans outstanding December 31, 1917, $176,028.43, representing six months' business."

WANT CLUB DISSOLVED.

Affairs of P. R. R. Christmas Body Aired in Court.

PHILADELPHIA, Oct. 25.—Leroy E. Stackhouse, former treasurer of the defunct Tonnage Christmas Club, formed by employees in the freight and auditing department of the Pennsylvania Railroad Company, at 227 South Fourth Street, has applied to Court of Common Pleas No. 1 for the appointment of a receiver to take charge of the remaining affairs of the association, to determine the respective rights of the parties and to legally dissolve the club.

The suit is directed against the club and the former members. The organization was formed in January, 1912, and discontinued in October, 1917, at the direction of the manager of the Pennsylvania Railroad Freight and Traffic Department. Its object was to provide pin money for the members each Christmas.

PUBLICITY.

It may interest our members to know that the paper read by Mr. R. M. Rutherford, of Louisville, Ky., entitled "The Small Loan Business Essential in War Times," has been so well regarded that a number of our members are having it reprinted for local educational publicity purposes. Others will no doubt follow suit after noting this announcement.

Roy F. Hartz, National Chairman of Publicity, reports that L. T. Baker, Chairman of Publicity of the Illinois Association, advises him that the Ilinois Association has adopted a publicity program and has sought copies of the educational publicity which the Indiana Association has used with very gratifying results.

Mr. Hartz recommends that *"every State Association should, at their next meeting, adopt some program for educational publicity during the coming year."*

CIVIL RELIEF—SOLDIERS AND SAILORS.

Mr. Chamberlain, of Oregon (S. 4970): To amend the first paragraph of Section 302 of the act, entitled "An act to extend protection to the civil rights of members of the military and naval establishments of the United States engaged in the present war," approved March 8, 1918.

The bill proposes to amend Section 302 of the Soldiers and Sailors Civil Relief Act of March 8, 1918. This section relates to the enforcement of obligations secured by mortgage, trust deed or other similar form of security on property owned by persons in the military service and provides for relief by stay of proceedings in suits against such persons until three months after the close of the war. Under the act above cited relief may be secured only as to obligations incurred prior to its enactment and by persons then subject to the law, i. e., in the military service. The amendment proposes to extend the benefits of the section to persons who have since acquired a military status and who would therefore be entitled equally to the protection of its provisions as to bona fide obligations of the kind mentioned in Section 302 when assumed prior to their entry into the military service of the United States.—(S. Rept. No. 595.)

Status: Reported by S. Com. on Military Affairs, 5-21-18.

CALIFORNIA.

According to predictions, the people of California approved by popular vote the Initiative Measure referred to as the Usury Law, on election day, November 5th, by a substantial majority. The result was expected because the campaign for the law was waged on the popular slogan, "Swat the Loan Shark," and was supported by well-intentioned but uninformed people who had the backing of the press, which used for argument in the usual sensational style, a few cases of unscrupulous lenders who attempted to extort unreasonable rates for loans from people who should have sought relief from charitable institutions. It is safe to say that a very small percentage of those who cast their vote in favor of this measure had little if any means of investigating the conditions which surround the small loan business but took for granted that this measure would exterminate the "loan sharks" and accomplish all that was claimed for it.

Like most drastic measures which start out with the idea of extermination instead of regulation of the small loan business, and which have been tried in other states, this law will fail in its practical operation. As other states, which have grappled with this problem, have learned the small loan business cannot be exterminated any more than it is possible by law to deny people other necessities, such as fuel, food, and clothing, but to be workable, a law must be fair to borrower and lender. No one, except philanthropists will put their money in any enterprise without a reasonable return, so we may expect that the people of California will continue to be supplied with finances, when denied credit at banks because they can't supply the necessary security in property or endorsements, but not, unfortunately, due to the new law, under favorable and reasonable conditions.

The new law fixes the interest rate that may be charged for loans of $1,000 or less at 12 per cent. per annum and allows in addition a 5 per cent. charge for incidental expenses. Penalties for violation are stipulated in the event that the interest rate is exceeded, but the 5 per cent. fee is not safeguarded nor are there any penalties provided if the loans are made for short periods and the fee charged again on new loans, which cannot be interpreted as renewals if each loan is paid in cash by the borrower and a new loan made immediately thereafter and new papers taken. The result to be expected is that necessitous persons in California will pay a rate of 72 per cent. per annum for small loans when pressed for funds if they cannot supply bankable security. This is the interpretation of the measure by eminent counsel consulted. The public will never know who is engaged in the business, as no license or bond is required. Persons ostensibly engaged in the real estate, insurance, clothing, or furniture business can now engage in the small loan business and others through blind advertisements can ply their trade with very little fear of detection because no supervision is provided nor any means of getting evidence against violators of the law.

Possibly some unfortunate persons who will be obliged to pay the high rates possible under the new law will seek relief from the prosecuting authorities and some prosecutions will follow but it is doubtful if any convictions can be secured if the "loan sharks" successfully evade the intent but comply with the letter of the law. After a couple years' trial we may expect to see a dissatisfied California send out an S. O. S. Then we shall hope to see her public-spirited citizens take hold and convince the people that relief can only come by the repeal of this ill-advised statute of 1918, and the substitution of the Uniform Small Loan Law, which is now working satisfactorily in a number of states, under state supervision and conditions which compare favorably with banks. We are advised that the California Association of Licensed Loan Brokers will disband and discontinue business and that other respectable lenders will do likewise, leaving the field now open to the "loan sharks," who will find California a fertile field for their operations until the law of 1918 is knocked out.

The California Association led the fight against the measure, and together with the expressed opposition of the following organizations, secured some 34,000 negative votes: San Francisco Chamber of Commerce, Civic League of Improvement Clubs and Associations, Los Angeles Realty Bureau, Legal Reform Bureau, the Division of Remedial Loans of the Russell Sage Foundation, and the American Industrial Licensed Lenders' Association, and other public welfare organizations.

The campaign of opposition was waged through the press and by means of circular letters, and for the most part built around the strong argument of Arthur H. Ham, Director of the Division of Remedial Loans, Russell Sage Foundation, who presented among other convincing arguments why this measure should be defeated, this significant statement: "The enactment of this measure into law would be one of the worst setbacks that has ever taken place in the history of the movement to improve small loan conditions."

INDIANA.

We are pleased to report the name of Porter Warman, manager of the Legal Loan Company, Logansport, had on date of notification, October 21st, enlisted in the military service. Mr. Warman was the third man to enlist from this office. The first to enlist was Thomas R. Gillespie, who enlisted in June, 1917, and next, Charles Jolly, who enlisted in July, 1918. The company which employed these three young men is very proud that every one of them enlisted and not one of them was inducted into the service.

A. C. Broughman was captain of a team which helped Marion go over the top in the United War Work campaign.

W. A. Zumpfe has been appointed Chairman of the Membership Committee, which is making a campaign to make every licensee in the state of Indiana a member of the Indiana Association.

The Indiana Association continues its good educational publicity work. Here is the copy run in the principal newspapers last month in the towns in which it has members:

Why the Small Loan Business Is Essential.

Men in all walks of life find it necessary to borrow money. The capitalist calls upon the banker, the manufacturer could not operate successfully without an established banking credit, the merchant must have money beyond his capital to meet his obligations, likewise the industrial worker is called upon to meet some unusual and unexpected expense and must find some source of relief.

Banks and trust companies do not seek the small borrower and as the average industrial worker has no bankable security, his credit is limited and the thought of applying to a friend is repulsive. He is honest and will pay every obligation. He realizes that a bank will not lend money on the class of security which he has to offer. The Industrial Licensed Lender makes a specialty of small loans upon the security which he possesses.

The fact that twenty or more states have in recent years passed laws legalizing, regulating and supervising the business of lending money in small amounts on classes of security not acceptable at the banks, establishes beyond a question that the small loan business is a necessary institution, and especially is this true when these laws have been passed not as political measures but as the result of the efforts of public welfare, business men and commercial organizations who have made the problem of the industrial worker a special study and whose only object in seeking legislation was a sincere desire to improve the condition of the industrial worker and give him a place where temporary financial assistance could be secured with safety.

Due to the high cost of living, the income of many families has not been sufficient to meet the obligations that must be taken care of. Some provision must be made to take care of those obligations until the regular normal income is restored.

The small loan business renders an indispensable service along this line and provides a place where the industrial workers may obtain financial assistance.

In Indiana every legitimate loan company has a license which is displayed in their office. When making an application ask to see their license and membership certificate of the Indiana Association of Licensed Small Loan Brokers, which will be a guarantee that all loans will be made strictly in accordance with the laws of Indiana.

Our Service Department was established for your benefit and any suggestion for the betterment of the Small Loan Business will be cheerfully received. Address, Indiana Association of Licensed Small Loan Brokers, 860 Lemcke Annex, Indianapolis, Ind.

VIRGINIA.

The Virginia Association met in Richmond, November 7th, with a good attendance. The Empire Company of Norfolk was elected a member of the organization. C. S. Thompson, Chairman of the Publicity, and L. B. Williams, of the Membership Committees, reported progress.

The members of the Association, among whose purposes are the policing the business, have their eyes on a certain concern which they believe is violating the new law of 1918. As soon as definite evidence is obtained, the matter will be brought to the attention of the State Banking Department.

ILLINOIS.

The following new members have recently been elected to membership in the Illinois Association: Felix Frenkel, 2322 Augusta St., Chicago, and John E. Bratt, 128 N. LaSalle St., Chicago.

The quarterly meeting of the Illinois Association was held in Chicago, November 16th. In the absence of L. C. Harbison, the chairman, due to illness, F. E. Tyson presided.

The name of the Association was changed to the Illinois Industrial Licensed Lenders Association, to conform with the name of the national body.

On motion, the suggestion of Clarence Hodson with respect to a uniform chattel mortgage foreclosure law and a local ordinance covering the removal of goods in bulk, was referred to Mr. Harbison for action, together with the Executive Committee.

A resolution was adopted that no member of the Illinois Association shall advertise to loan money on Liberty Bonds and that the Association shall not look favorably on any member who does so. It was the sense of the meeting that such advertisements were very unpatriotic and tended to depreciate the character of the business. A committee was appointed to confer with the Chicago *Daily News*. with instructions to request that publication to refuse to accept ads which are inserted for the purpose of securing loans on Liberty Bonds.

A general discussion with reference to the recording of mortgages and acknowledgment of the same, took place. The recording of mortgages in Illinois is very expensive and each acknowledgment costs fifty cents, and such acknowledgment can only be made before the clerk of the municipal court. A notary cannot acknowledge a mortgage. The recording fees average about $2.25 a mortgage. If filed as in some other states, the fee would be nominal, and as there will be a new constitution in Illinois, authorized by referendum vote of the people, the beginning of this month, the chairman is to appoint a committee to endeavor to have this recording error rectified by and inserted in the new State Constitution. A legislative committee of three members is to be appointed by the chairman and Executive Committee.

Announcement was made at the meeting, that a member of a committee appointed by the Chicago Association of Commerce, to pass on whether or not the industrial loan business is essential in Illinois, expressed his opinion that the business was very necessary.

The officers elected for the ensuing year are: L. C. Harbison, Chairman; J. D. Lynch, Vice-Chairman; A. L. Weinschenk, Secretary; J. A. Breen, Treasurer. The Executive Committee includes the foregoing officers and is composed of nine members, the following five being appointed: Chas. Turgrimson, T. B. Ward, Fred E. Tyson, Fred Snite, and L. T. Baker.

The Year Book was also discussed, and each member present paid $1.00 to the treasurer for subscriptions. The treasurer reported $626.25 balance in the bank, with no debts outstanding. The meeting was well attended by members from all parts of the state and representatives from other states, who are engaged in business in Illinois.

THE ARMISTICE.

It was a great day in these United States of America when the news reached this country that the fighting which engulfed almost the whole world in the last four years, had ceased. Except in the beaten countries, the world went crazy with joy.

It is gratifying but at the same time, sad for us to look back over the period in which our country was involved in this struggle and note the part the men and money in our business took. Many men voluntarily enlisted in the military service, some of whom made the supreme sacrifice, others distinguished themselves in the service and will ever be a credit to the business which occupied their time in civilian life. Among the best workers and best contributors in the Liberty Loan, United War Work and Red Cross drives, could be found many of our members who proved themselves good patriots and citizens.

There is still much to be done. Another Liberty Victory Loan must be raised, the boys "over there" must be taken care of until such time as it is safe for them to return home. We must conserve and help other distressed nations and prove our leadership now as we did in bringing about the armistice. Reconstruction work will keep everybody that is able and wants to work, busy for at least a couple years, and during that time we can and will render a service essential to the communities in which our members are located.

INDUSTRIAL LOAN LITERATURE.

1. "Year Book" of the Small Loan Business of 1917. Addresses, roster, etc. Price, $1.00. Apply, American Industrial Licensed Lenders Association, 204 Chestnut Street, Harrisburg, Pa. The Year Book for 1918 will be issued shortly.

2. "Industrial Lenders News," monthly. Only industrial loan publication in United States. Subscription, $1 yearly. Apply, American Industrial Licensed Lenders Association, 204 Chestnut Street, Harrisburg, Pa.

3. Court decisions upholding constitutionality of small loan laws of Illinois, Pennsylvania, Ohio, and Texas. Free (send two cents postage). Apply, American Industrial Licensed Lenders Association, 204 Chestnut Street, Harrisburg, Pa.

4. Yearly Bulletins of the National Federation of Remedial Loan Associations. Statistics and addresses. Price, 20 cents for any year. Apply, Russell Sage Foundation, 130 East Twenty-second Street, New York City.

5. "Why a Higher Rate of Charges Than the Bank Rate of Interest is Necessary on Small Loans," by Charles S. Francis, of the New York Bar, pp. 6. Copies free (send two cents postage). Apply, Legal Reform Bureau, 26 Cortlandt Street, New York City.

6. Circular to Legislators, Editors, etc., supporting enactment of Uniform Small Loan Law before Maryland Legislature, 1918, pp. 4. Free (send two cents postage). Apply, Legal Reform Bureau, 26 Cortlandt Street, New York City.

7. "The Bawlerout," by Forrest Halsey. Cloth bound; pp., 211. An interesting exposition of former loan shark practices in a large city. A good love story and happy denouement arising from legislation legalizing the small loan business and the substitution of dignified licensed money-lenders. Price, $1.55, including postage. Apply, Legal Reform Bureau, 26 Cortlandt Street, New York City.

8. "Money-Lenders License Laws and Business of Making Small Loans on Unsecured Notes, Chattel Mortgages and Salary Assignments." A handbook by Clarence Hodson, about 70 pages. In press. Price, $1.00, including postage. Apply, Legal Reform Bureau, 26 Cortlandt Street, New York City.

9. "Interest Tables for Small Loans," showing amount of interest at rates of 1, 1½, 2, 2½, 3 and 3½ per cent. per month on sums of 50 cents to $3.00 for periods of 1 day to 30 days, and other tables and formulae, by Arthur H. Ham; pp., 52. Price, $4.00. Apply, Spectator Company, 135 William Street, New York, or Insurance Exc. Bldg., Chicago.

PLAN TO SAVE PAPER.

Write Carbon Copies of Your Answers on Backs of Letters.

WASHINGTON, Oct. 30.—"Conserve paper worth millions of dollars by writing the carbon copy on your answers on the backs of the letters you receive." This advice was given the business men of the United States to-day in a statement issued by the American Forestry Association after trying out the plan and "finding that it works."

"The plan cuts filing costs, prevents cluttering up of files and gives you the history of your business with any concern on fifty per cent. less paper," the Forestry Association claims. "In 1918 we will use about seven million cords of wood in the making of paper. Let us conserve paper by dispensing with the carbon sheets wherever possible."

WOMEN BANK CLERKS SHOW LACK OF CONCENTRATION.

BOSTON, Nov. 8.—Women bankers are a reality in this city. Every bank has been hit by the war, and women are filling the positions vacated by men. But, in the opinion of leading bank officials, it takes from three to five women to do the work of two men.

"And even then women do not know how to concentrate," said John J. Reidy, of the Hanover Trust Company. "A girl's mind flutters away to something other than her work. And when she makes a mistake she simply goes to pieces. There are wonderful opportunities open for women to-day if they will make the most of them. Have them learn how to concentrate—that's the weakest point in their armor.

QUERY.

If A, who owed you $25.00 endorsed by B, a good customer, left the city for parts unknown, would you force B to pay the note and take the chance of losing B's patronage which would mean as much as the loss of the $25.00, and perhaps more? If you did not force B to pay, what moral effect do you think your action would have on B, with respect to his own obligation to pay you and upon others whom B might know or tell? Write what you would do to the National Secretary.

UNIVERSITY OF ILLINOIS LIBRARY

APR 8 1922

INDUSTRIAL LENDERS NEWS

Official Organ American Industrial Licensed Lenders Association Which Is a Member of the Chamber of Commerce of the U. S. A.

Vol. III. No. 6. DECEMBER, 1918. Price, $1.00 a Year.

PENNSYLVANIA.

The annual meeting of the Pennsylvania Association which was held in Philadelphia in November, disclosed the fact that the organization through its committees was very much alive during the past year, although it was not a legislative year for this state.

For example, no meeting was held nor any of the activities of the organization too small or unimportant for the publicity committee to see that a report was given out to the papers of the state. The members' participation in war work, on account of the meetings, the national convention, and anything else of news value promptly found its way into the columns of the press of the state. Credit for the efficiency of the Pennsylvania Publicity Committee is due almost entirely to its chairman, A. V. Hart, of Philadelphia.

Hon. Edwin R. Cox, a member of the Pennsylvania legislature, who was an invited guest at the banquet which followed the business meeting, made a stirring address in which he summed up briefly his experiences in public life and his interest in humanitarian legislation. Mr. Cox has been a most important factor in securing constructive legislation in the interests of humanity. Many altruistic laws on the Pennsylvania statute books bear his name.

His references to his efforts to secure legislation that would abolish "loan sharks" were very much appreciated. He commended the members of the Pennsylvania Association for their strict observance of the law which he fostered in 1915 and said he learned upon inquiry in various cities which he had visited that it was for the most part working out satisfactorily.

His tribute to C. H. Watts, the secretary, who he said he found dependable when he was investigating the small loan subject and trying to arrive at the facts upon which to base fair legislation, was unexpected but well deserved.

Mr. Cox made it clear that he was interested in public life only for the good he could do his fellow man and that he had many times declined remunerative public offices and that the members of the Pennsylvania Association could expect his friendship and support only so long as they conducted their business in accord with the spirit and the letter of the law. He said there was no reason why a small loan institution could not be made as respectable as a Federal Reserve bank.

Mr. E. F. Moore's paper, "Handling Our Business by Mail," proved to be interesting and timely, and brought out the wide possibilities open to us, which if adopted, will save much time, labor and expense in the accustomed way in which our business has been handled.

Chairman Ezekiel has appointed the following legislative committee for the coming year: Messrs. Schroder, Hart, Kehr, and Watts.

USURY AND THE BANKS.

The Forum for November publishes an interesting and extensive article by Hon. John Skelton Williams, United States Comptroller of the Currency and Director of the Division of Finance, U. S. Railroad Administration at Washington, entitled "Usury and the Banks—Fleecing the Small Borrower Being Stopped by the Government." This is a very interesting article, in which it is stated by the Comptroller, who supervises the national banks of the United States that

> It was ascertained at that time that 1,247 national banks, out of a total of 7,600, were openly charging rates of interest forbidden by the laws of their respective states and by the National Bank Act, and that despite the easy money conditions, 2,743 banks were charging on some of their loans interest of ten per cent. or more per annum.

COMMUNICATIONS.

MR. G. W. KEHR,
204 Chestnut St.,
Harrisburg, Pa.

Dear Sir: You will pardon me for delaying an answer to your communication of the 23d ult. until now for the reason that we finally got action in re: The Economy Building and Loan Company vs. Wm. T. ....., in the shape of a replevin action at St. Louis, Mo.

Through the courtesy of your prompt reply by telegraph to us November 21st, we saved ourselves a loss on an automobile loan which looked pretty bad. We now have the security cinched and in storage at St. Louis, Mo. The present status of affairs are quite satisfactory to us.

Mr. ..... started for California, but was stopped in transitu and must settle with us before he resumes his tour.

Thanking you, we remain,
Yours respectfully,
THE ECONOMY BLDG. & LOAN CO.
Frank Combes, *Office Attorney.*

THE BAWLER-OUT.

In the last issue of LENDERS NEWS we quoted the price of the book entitled "The Bawler-Out" as being $1.55, including postage, whereas the price is now $1.00, which includes postage.

CALIFORNIA.

In regard to the California situation, A. V. Hill, chairman of the California Association, under date of December 4th, writes the National Secretary as follows:

"I have your letter of November 30th, and of course will be glad to keep you informed as to all developments here on the situation. I also have yours of November 12th and 18th, and have delayed a reply, for we had not until recently made any decision as to just what action we should take, and also I was ill for a week.

"None of us here have decided to operate in defiance of this law, although there are some of the companies outside of the Association that are doing business in the same old manner. In fact, this law is not yet in effect, as the State Secretary has not yet certified to the election returns, and the measure takes effect five days thereafter.

"We have however made arrangements to test the constitutionality of this usury law, and this will be carried through as quickly as possible. However, it is very doubtful if it can be done and a hearing gotten by the Superior Court in time to introduce the Uniform Loan Law at this session of the legislature.

"A few of the California members have resigned, but most of us will see what results we get from the carrying up to the higher courts this usury law, as we have been assured that it can be knocked out without any question. A regular meeting of the California Association will be held on December 14th, and will have our secretary give you a report of just what action is taken on this and several other matters that are to come before the Association.

"We certainly appreciate your suggestions as to the manner in which the business could be carried on, and some of us may adopt them in the future. It is very gratifying to us to know that you and the national body have our interests at heart and are doing all you can to aid us, with your suggestions and otherwise, as well as with the advice of the best informed loan men in the business, and I can assure you that any further suggestions will be thankfully received by the California Association.

"P. S.—I might add that the best legal advice we have is that the state legislature have not the power to enact any law (such as the Uniform Loan Law) that would in any manner change or be in conflict with the Usury Initiative, as this was made a law by direct vote of the people, and the only way in which it can be changed is by another initiative petition."

INDUSTRIAL LENDERS NEWS

Established 1916.

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Correspondence and items intended for publication should be addressed to Geo. W. Kehr, 204 Chestnut St., Harrisburg, Pa.

Communications cordially invited.

AMERICAN INDUSTRIAL LICENSED LENDERS' ASSOCIATION.

NATIONAL OFFICERS, 1918-1919.

Chairman, J. H. Dyer, 404 Bank of Commerce Bldg., Columbus.
Treasurer, J. H. Aufderheide, 860 Lemcke Annex, Indianapolis.
Secretary, G. W. Kehr, 204 Chestnut St., Harrisburg.

VICE-CHAIRMEN.

Cal.—A. V. Hill, 400 Title Insurance Bldg., Los Angeles.
Ill.—L. C. Harbison, 81 E. Madison St., Chicago.
Ind.—A. C. Broughman, 304 Marion Natl. Bk. Bldg., Marion.
Iowa.—T. J. Harrison, 115½ E. 4th St., Waterloo.
Md.—William Young, 419 Munsey Bldg., Baltimore.
Mich.—J. E. Ryan, 707 Breitmeyer Bldg., Detroit.
N. J.—J. W. Whitstone, Frost Bldg., Plainfield.
N. Y.—R. W. Sharp, 51 Liberty St., New York.
Ohio.—J. H. Dyer, Esq., 404 Bank of Commerce Bldg., Columbus.
Pa.—V. D. Moss, 60 De Long Bldg., Philadelphia.
R. I.—W. G. Wood, 268 Westminster St., Providence.
Va.—L. E. Pope, 402½ E. Marshall St., Richmond.
Unorganized States.—R. M. Rutherford, 202 Coleman Bldg., Louisville, Ky.

COMMITTEES.

Chairman, Auditing, W. A. Zumpfe, 701 Odd Fellows' Bldg., Indianapolis.
Chairman, Finance, L. T. Baker, 109 N. Dearborn St., Chicago.
Chairman, Law, F. R. Hubachek, Esq., 610 McKnight Bldg., Minneapolis.
Chairman, Legislation, W. P. Woll, 337 W. Madison St., Chicago.
Chairman, Membership, Dr. C. G. Mueller, 1006 Liberty Bldg., Philadelphia.
Chairman, Publicity, R. F. Hartz, 205 Law Bldg., Indianapolis.

The Executive Council is composed of the National Officers and Vice-Chairmen.

STATE SECRETARIES.

Cal.—J. G. Caldwell, 308 Broadway Central Bldg., Los Angeles.
Ill.—A. L. Weinschenk, 79 W. Monroe St., Chicago.
Ind.—R. C. Aufderheide, 860 Lemcke Annex, Indianapolis.
Iowa.—D. Esmond, 312 Century Bldg., Des Moines.
Md.—J. J. Wood, 9 Park Bank Bldg., Baltimore.
Mich.—H. D. Firth, 407 5th Natl. Bk. Bldg., Grand Rapids.
N. J.—F. B. Merritt, 46 Patterson St., New Brunswick.
N. Y.—E. P. East, 175 Fifth Ave., New York.
Ohio.—J. Fred Anderson, 401 Bushnell Bldg., Springfield.
Pa.—C. H. Watts, 1011 Chestnut St., Philadelphia.
R. I.—J. H. Wickstrom, 87 Weybosset St., Providence.
Va.—A. B. McMurtrie, 417 E. Broad St., Richmond.

DECLARATION OF PRINCIPLES.

As revised by the Executive Council, January 21, 1918.

1. We will do what we can to dignify, uplift and standardize the small loan business in every quarter of the United States.

2. We will favor state legislation, uniform in character, providing licenses and supervision by a state official, with bond to the state, and providing legal rates and terms fair to both lender and borrower.

3. We will assist by publicity in educating the public to the service rendered by industrial lenders in this necessary business.

4. We will obey the small loan laws ourselves, and police the business.

5. We will regulate our public advertisements and circulars, so that they shall be dignified, truthful and straightforward.

6. We will keep our books and accounts in plain and understandable form, satisfactory to the licensing official and never refuse a borrower a statement of his account.

7. We will make an earnest effort to maintain good relations with all state officials and their examiners, and will always deal with them frankly in a spirit of coöperation, and in recognition of their duty to the public as well as to licensees.

8. We will not do anything to bring the business of the American Industrial Licensed Lenders Association, or our State Associations, into disrepute, or question as to our fair and lawful methods.

9. We will coöperate with all members of the American Industrial Licensed Lenders Association and our affiliated State Associations, in respect to accurate credit information and other advice and assist them in the collection of accounts, dealing with them in a spirit of fraternity and helpfulness.

10. We will do what we can to discourage the practice of making the same borrower or borrowers more than one loan on the same security at the same time.

NOTICE.

Members are requested to frame and display their certificate of membership in the customer's lobby.

SUGGESTED REVISION OF THE CONSTITUTION AND BY-LAWS.

Constitution.

ARTICLE I.

1. *Name.*—The name of the association shall be "American Industrial Licensed Lenders Association."

2. *Objects.*—The objects of the Association shall be to promote the welfare of all members of the Association; to protect the borrowing public against extortionate charges in procuring salary, chattel and other industrial loans; to coöperate with all licensed lenders and supervising state officials in the proper conduct of the industrial loan business. The policy of the Association will be coöperation with the State Associations and individual members in respect to conducting the industrial loan business on a fair and dignified basis, securing laws and judicial interpretations thereof that are fair and practicable, when called upon so to do; the mutual interchange of ideas and experiences that will tend to standardize the business and practices of licensed lenders in dealing with the public, providing a strong national body that will enlist the services of the best men engaged in the business, providing occasions for pleasant and profitable social and business intercourse in relation to the common interests, and educating the public to freer use of the services and facilities, which legitimately conducted licensed lenders afford in an excellent manner.

3. *Classes of Membership.*—Membership in the Association shall be of two classes, namely: State organizations of lenders operating under state regulations and lenders themselves, whether individuals, firms or corporations. When the individual members in any state number five, they must form a separate State organization, provided the State has adopted a law regulating the industrial loan business.

4. *Officers.*—The officers of this Association shall be a National Chairman, a Vice-Chairman for each State in which the lenders operating under State regulations maintain a State organization affiliated with this National body, and a Vice-Chairman to represent members for each State in which there is no State organization; a Secrteary and a Treasurer, and a chairman of each of standing comimttees hereafter designated, which shall constitute the Executive Council. The officers shall be elected annually as follows: the National Chairman, Secretary and Treasurer shall be elected by a majority vote of the delegates attending the annual convention; the Vice-Chairmen of organized states shall be elected by their respective State Associations; the Vice-Chairmen of unorganized states shall be elected by the members in those states. The chairmen of standing committees shall be appointed by the National Chairman, with the advice and consent of the Executive Council at the conclusion of the annual convention.

5. *Executive Council.*—The Executive Council shall have power to make such rules and regulations governing their own body as they may deem wise. They shall also have power to formulate, promulgate and enforce such rules and regulations governing the conduct of members in their dealings with each other and non-members of the Association. Such rules and regulations shall become effective and operative and enforceable on being confirmed by a majority vote of the Association in convention, or when approved by two-thirds of the members in writing.

6. *Conventions.*—The annual meeting of this Association shall be held in convention at such time and place as may be selected by the Convention or the Executive Council, and special meetings may be called by the Executive Council or by the National Chairman upon the written request therefor by five members of the Executive Council. A notice for a special meeting shall be duly mailed so that each member in unorganized states and State organization shall have at least ten days' notice prior thereto, and such notice shall state the object thereof. No other business than that therein stated shall be decided upon at such special meeting, except by a two-thirds vote of the members in attendance. A majority of those in attendance shall constitute a quorum.

7. *Dues.*—The annual dues of each affiliated State organization shall be ten dollars for each and every member thereof in good standing; the annual dues of each individual, firm or corporation member in unorganized states shall be ten dollars; all dues shall be payable semiannually in advance, February 1 and August 1.

8. *State Associations.*—State Associations of Lenders operating under State regulation shall be qualified to affiliate with this National body, and shall annually appoint delegates to attend the annual conventions. They shall also have the privilege of nominating and electing the Vice-Chairman *ex-officio* and member of the Executive Council from their respective States.

9. *Expenditures of Money.*—No money shall be authorized to be expended and no contracts or obligations incurred of any kind or nature, and no authority given to incur any obligations involving the payment of money in the name or on behalf of the Association, beyond the money actually in hand, appropriated and set aside for the purpose.

10. *Appointment of Committees.*—The Chairmen of committees are authorized to appoint the members of their respective committees and fix their number. The Chairmen of committees during the annual convention shall be appointed by the National Chairman with the advice and consent of the Executive Council.

11. *Vacancies.*—Vacancies occurring by death, resignation or refusal to serve by the Chairmen of committees and national officers during the interim between conventions shall be filled by ballot by the Executive Council. Vacancies occurring among the Vice-Chairmen shall be filled by the members of the states represented.

12. *Standing Committees.*—The standing committees shall be as follows: Auditing, Finance, Law, Legislation, Membership, and Publicity. No National officer or Vice-Chairman shall be appointed to the chairmanship of any standing committee.

13. *Commitment as to Policy.*—No article, literature or statement committing the Association shall be issued by any officer, member or other person, unless or until the same has been approved by a majority of the Executive Council, in the interim between meetings, such assent to be obtained in writing.

14. *Certificate of Membership.*—The Association shall annually upon payment of dues, payable February 1, issue certificates of membership to each individual, firm or corporation member, of any affiliated State Associations or members in unorganized states, which they shall respectively retain and display in their place of business during the period of their membership, but it is expressly understood that each member shall surrender and return his certificate of membership to the Secretary upon termination of such membership arising, either through death, resignation, cancellation of membership by the Executive Council, failure to pay dues or retirement from business; and it is further understood that membership confers privilege solely, but no property rights. But one certificate shall be issued for each membership. Should any member require an additional certificate during the year on account of change of name or loss through any unavoidable cause, an additional certificate shall be issued upon request to the National Secretary upon payment of $1.00.

15. *Amendments.*—This Constitution shall not be amended, unless such amendment shall be recommended by five members of the Executive Council, and until it is approved by a two-thirds vote of members in attendance in convention or in writing. Notice of such proposed amendment shall be given each member either by publication in the official organ or in writing at least ten days prior to being acted upon.

BY-LAWS.

American Industrial Licensed Lenders Association.

ARTICLE I.

SECTION 1. *Election of Members.*—All applications for membership shall be referred to the Membership Committee, which shall report to the members in convention when in session, and at other times shall report to the Executive Council, who shall have power to elect such applicants upon two-thirds vote when the convention is not in session. The members in convention may elect new members, either by ballot or by *viva voce* vote. Application for membership must be accompanied by a remittance for semiannual dues. No initiation fee shall be charged.

SECTION 2. *Resignations.*—Resignations of member shall be made in writing to the Secretary of the Association, and shall be promptly forwarded to the Executive Council, which shall have full power to act.

SECTION 3. *Officers.*—There shall be elected annually a National Chairman, a Secretary and a Treasurer and such Vice-Chairmen as may be necessary in accordance with Article 4 of the Constitution.

SECTION 4. *National Chairman.*—The National Chairman shall preside at meetings of the Executive Council and at the annual convention or special meetings of the Association, and shall appoint all committees not otherwise provided for in the By-Laws.

SECTION 5. *Presiding Vice-Chairman.*—During the absence or inability of the National Chairman, the Vice-Chairman, designated by the National Chairman, shall preside; in the absence of such designation, the convention shall designate a Vice-Chairman to preside during the absence of the National Chairman.

SECTION 6. *Treasurer.*—Among such other duties as may be assigned to the Treasurer by the Executive Council, it shall be his duty to receive and account for the dues of members, and for all sums paid in to the Association treasury. There shall be reported annually, for the information of members of the Association, a statement of the Treasurer, showing the amounts received from membership dues, contributions, assessments, and other sources; the amounts of disbursements therefrom, and the purposes for which the moneys have been expended. A bond, the premium for which shall be paid by the Association, may be required of the Treasurer of such amount as may be fixed by the members in convention or Executive Council.

SECTION 7. *Secretary.*—Among such other duties as may, from time to time, be assigned to him by the Executive Council, at such compensation as the Executive Council may determine, it shall be the duty of the secretary to keep the minutes of conventions and meetings of the Executive Council; to keep a record of the membership of the Association; to send bills for dues and subscriptions to and edit the official organ; to have the custody of the seal of the Association, and to conduct correspondence for the Executive Council.

SECTION 8. *Executive Council.*—The Executive Council shall exercise all the powers of the Association when the members are not in session, with power to fill vacancies in the Council caused by the death, resignation, or disability of a member. Regular minutes of the proceedings of the Executive Council shall be kept, and shall always be open to the inspection of any member or its delegate, and at such convention of the members, the minutes of the meetings of the Executive Council held since the last convention of the members shall be read. There may be also such other standing and special committees as the members or the Executive Council may, from time, determine and appoint. The Executive Council shall meet on the first day and immediately after the adjournment of the annual convention. It shall hold such other meetings as may be necessary to direct the affairs of the Association, a majority to constitute a quorum.

ARTICLE II.

SECTION 1. *The Fiscal Year and Financial Report.*—The fiscal year ends on the last day of the month preceding the annual convention, when an annual report of receipts and expenses shall be rendered at the convention.

SECTION 2. *Membership Statements.*—Members shall be sent statements for their membership dues semiannually in advance, February 1st, and August 1st, of each year. No discount will be allowed for membership assumed for fractional parts of a year.

SECTION 3. *Auditing of Accounts.*—The books of the Association shall be audited not less than once a year by the auditing committee, whose report shall be submitted to the members of the Association for its approval, with the treasurer's report.

ARTICLE III.

SECTION 1. *Annual Convention.*—The members, in meeting or Executive Council, shall fix the date for the annual convention and place at which it shall be held. This convention shall constitute the annual meeting, as provided for in the constitution. The delegates in annual convention shall elect the officers of the Association, and transact such other business as is required by the by-laws, or as may be properly brought before them.

SECTION 2. *Quorum.*—A quorum for the transaction of business shall consist of a majority of members in attendance, in good standing. A quorum of the Executive Council shall consist of at least five members.

SECTION 3. *Delegates.*—No less than one month before the annual convention, a notice regarding the same shall be printed in the official organ announcing the date and place. All members are entitled to attend the annual convention. Credentials as delegates shall be furnished to the secretary. Each membership is entitled to one vote, whether it be a state organization member or an individual member in unorganized states. Where the delegates in attendance are less than the number of votes to which any state is entitled, those present shall be considered as representing the members of the state, and shall have the privilege of casting the whole vote, for which that state is entitled, based on membership in good standing.

SECTION 4. *Reports.*—At the annual convention there shall be submitted for approval of the convention reports of the Executive Council, the National Chairman, Treasurer, and Secretary and all committees.

ARTICLE IV.

SECTION 1. *Seal.*—The seal of the Association shall be circular in form, containing in the center, "Organized April 18, 1916," encircled by the words, "American Industrial Licensed Lenders Association."

ARTICLE V.

SECTION 1. *Proceedings.*—The proceedings and deliberations of the conventions of members and meetings of Executive Council shall be governed by the rules of Cushing's Manual of Parliamentary Law.

SECTION 2. *Order of Business.*—At all annual conventions or special meetings of the Association the order shall be:

1. Call to order by the National Chairman.
2. Address of welcome in behalf of state association.
3. Reading of minutes of the last convention.
4. Report of the Executive Council.
5. Report of Membership Committee.
6. Report of Finance Committee.
7. Report of the Publicity Committee.
8. Report of Committee on Laws.
9. Report of Committee on Legislation.
10. Report of Treasurer and Auditing Committee.
11. Report of Secretary.
12. Report of Special Committees.
13. Unfinished Business.
14. New Business.
15. Nomination and election of officers.
16. Announcement of committee appointments.

ARTICLE VI.

SECTION 1. *Amendments.*—These By-Laws shall not be amended, unless such amendment shall be recommended by five members of the Executive Council, and until it is approved by a two-thirds vote of the members in attendance, in convention or in writing. Notice of such proposed amendment shall be given each member either by publication in the official organ or in writing at least ten days prior to being acted upon.

NOTICE.

All members, whether affiliated, state, or individual members in unorganized states, are entitled and requested to vote "For" or "Against" the constitution and by-laws as revised by the special committee consisting of Messrs. Watts, Mueller, Moss, Dyer, and Kehr, and printed in this issue of the INDUSTRIAL LENDERS NEWS.

The committee has attempted to remove some inconsistencies which existed in the original draft and to clear up some points which have never been fully understood. It has paved the way for greater representation in the executive council by making committee chairmen members and by recommending that the members in each unorganized state elect its own vice-chairman, as the members of organized states do now, who shall represent them in the council.

This means, for example, that Massachusetts will not be represented by Mr. Rutherford, of Kentucky, but by a vice-chairman selected by the members of that state. It is hoped this will augment interest in the Association affairs in unorganized states and thus increase our membership and encourage the formation of state associations for greater local usefulness.

The committee recognizes there is still room for improvement, but it expresses the hope that the members will adopt at this time, the constitution and by-laws as recommended, without change, with the understanding that the document can be further revised or amended at the next annual convention, which will only be a matter of a few months.

Please record your vote at your earliest convenience with the National Secretary.

INDIANA.

With reference to a meeting held December 12th in the Claypool Hotel, Indianapolis, the secretary of the Indiana Association, R. C. Aufderheide, writes as follows:

"The Indiana Association had their meeting yesterday which had been postponed on account of the 'flu.'

"We had a very interesting meeting although the attendance was not very large. Some of the things which might be of interest are as follows:

"Our treasurer reported that we had on hand, $1,053.97. Chairman of our Membership Committee reported that he had secured eight new members. The Association plans something big in the way of publicity for the next six months. Three hundred dollars was appropriated out of the Association treasury for that purpose. The name of the Association was changed to Indiana Industrial Licensed Lenders Association.

"An informal dinner was held after the meeting.

"The accompanying satire purported to be from the only member of the Indiana Association who ever resigned, was read by Mr. Geo. W. Farrington, of Indianapolis."

MOOCHERSVILLE, INDIANA,
July, 1918.

Dear Mr. Secretary: This is to inform you that I wish to withdraw my membership in the Indiana Association of Licensed Small Loan Brokers.

In consideration of your good offices and with due regard for your generosity of purpose, I consider it my duty to explain my reasons for discontinuing my membership.

In the first place I am spending $25 per year for something which I can get without spending a cent. Your Association looks after the drafting of suitable laws for the business and sees to it that they come before the legislature, whether I am a member or not, and I come in for the benefits just the same.

The publicity work carried on by you is splendid, but my patrons will probably not know that I am not a member and will class me along with you. If I want any information about the business I have a friend who is a member, to get it for me.

It is against my nature to pay for anything that I can get in any other way. And it would not be fair to Mrs. Piker and the little Pikers who have been carefully trained to get up early to slip the neighbor's paper from the front porch and the milk from the back porch. Our friends and neighbors seem to be amazed because Mrs. Piker forgets to take back the things she borrows.

Even I have been given a cold stare because I always have an important engagement when it comes my turn to treat. Waiters become annoyed because I am always looking the other way when he brings in the pay check. Some people seem to enjoy spending their money on others. I believe in letting them do it and keeping mine, and I have saved a considerable sum of money by doing so.

Don't think for a moment that I do not consider your organization a necessity. No doubt you are accomplishing a much needed service by eliminating the undesirables, by showing a clean slate to the public, and by elevating the standard to the place it deserves. But why should I pay out my hard earned money for this? If the Association needs financial assistance for its work, why not apply to the Red Cross or some other charitable institution?

My present term of membership still has an unexpired period of two months and thirteen days. This entitles me to a rebate of $5.37 and 51/100. Kindly send me a check for $5.38 and call it square.

Although not now a member I am willing to attend all free banquets, accept reduced prices on printed forms, charge 3½% per month interest, enjoy enlightened public opinion and all other *benefits* accruing from your Association.

My only regret is that your Association did not pay a cash dividend while I was a member.

I am writing this on the Y. M. C. A. stationery and got the stamp at the cigar stand where I know they could not change a $20.00 bill.

MR. MOOCHER PIKER.

NEW TRADE MARK.

Some electrotypes of the new trade mark have been made for the use of members on their letterheads, advertising and printed matter. They are not for sale but will be loaned to any member for a reasonable time if request is made to the National Secretary.

YEAR BOOK.

The Year Book for 1918 will be ready for distribution Jan. 1, 1919. It contains an up-to-date directory of all the members of the American Industrial Licensed Lenders Associaion, the reports of the national officers and committee chairmen at the National Convention, as well as the important papers which were read at that time. For example, Mr. Bryant prepared a paper on the subject of "Legislaion," in which he outlined successful methods by which legislation is secured. What he had to say was spoken from a long and successful experience as a lawyer and legislator. Mr. Hartz, in his paper on "Publicity" tells after an exhaustive canvass of the principal American newspapers, the form of advertising to use to get the best results. What Mr. Rutherford said in regard to the necessity of the business in war times, applies to-day and all the time. No one who wishes to keep up with the times should fail to order a copy of this book. The price of it is $1.00 a copy. Orders should be sent accompanied by a remittance, at once, to the National Secretary, G. W. Kehr, Harrisburg, Pa.

APR 8 1922

INDUSTRIAL LENDERS NEWS

Official Organ American Industrial Licensed Lenders Association Which Is a Member of the Chamber of Commerce of the U. S. A.

Vol. III. No. 7. JANUARY, 1919. Price, $1.00 a Year.

BAN ON GARNISHMENT OF R. R. WAGES STILL ON.

Administration Declines to Revoke Order on Request.

Knoxville, Tenn., Jan. 2.—While the order of Director General McAdoo prohibiting the garnishment of railway employees' wages will not be revoked, local business houses have received the following reply to their petition requesting revocation of the order from General Counsel Payne, of the railroad alminstration:

"We have now under consideration general instructions which will require railroad employees to meet their just obligations. After careful consideration it has been determined not to revoke General Order 43.

"Until general instructions are issued names of the men who habitually fail to meet their just obligations should be sent, together with the facts, to the Federal manager of the railroads employing them and the men notified of the action taken."

GENERAL ORDER No. 43.

Washington, September 5, 1918.

WHEREAS, Proceedings in garnishment attachment, or like process by which it is sought to subject or attach money or property under Federal control or derived from the operation of carriers under Federal control under the act of Congress of March 21, 1918, are inconsistent with said act, and with the economical and efficient administration of Federal control thereunder; and

WHEREAS, Such proceedings are frequently commenced, particularly for the garnishment or attachment of amounts payable, or claimed to be payable, as wages or salaries of employees, which practice is prejudicial to the interests of the Railroad Administration in the operation of the lines and systems of transportation under Federal control, and is not necessary for the protection of the rights or the just interests of employees or others; and

WHEREAS, If any rules or regulations become necessary to require employees to provide for their just debts, the same will be issued hereafter;

It is therefore ordered that no moneys or other property under Federal control or derived from the operation of carriers while under Federal control shall be subject to garnishment, attachment, or like process in the hands of such carriers or any of them, or in the hands of any employee or officer of the United States Railroad Administration.

W. G. McADOO,
Director General of Railroads.

LEGAL REFORM BUREAU.

Editor Industrial Lenders News.

The American Association is a member of the Chamber of Commerce of the U. S. A. A war industries reconstruction congress was held at Atlantic City, December 3-6, and among the resolutions adopted was the following:

> It is the sense of this convention that a system of uniform cost accounting should be adopted by each industry.

The resolution is sound in principle and correct. Perhaps less regard has been given to uniform accounting methods by licensed money-lenders than in any other business. It is time that modern methods should be adopted generally, and a reason for it is that persons have a "think" coming to them on certain subjects, but they are wrong. They should have the facts and figures to prove where they stand.

For instance, there are money-lenders in Pennsylvania and Michigan now who are making loans at 2 per cent. a month upon which they are losing money. There is no doubt about that. It is necessary for them to obtain a greater number of loans of $100 or less, and to do this is expensive for advertising, etc., yet they make no attempt at accurately ascertaining and at improving results along this line. Many of them just take things for granted, but there is no excuse for that in the chain office systems. They are presumed to have the capital and to apply technical methods to accounting, etc., but it seems that not all of them are doing so as efficiently as might be, tho with certain ones it is recognized that they are technical and efficient, and therefore their success is phenomenal. We believe it would be a fraternal service for those who have good accounting systems to give those less fortunate the benefit of same, and we suppose they would do so, but human nature makes the people with the bummest systems think they have the grandest and they do not know and if they did a foolish pride would prevent them from asking others who have a better system. The scientific rate does not permit of a class of loans to be made, or certain methods to be pursued which were formerly in vogue by certain money-lenders when they received 10 per cent. to 33 1-3 per cent. a month on their money. It takes better credit selection, stronger collection methods and a better accounting system at present legal rates and under the reform loan law restrictions. The number of money-lenders who are retiring from business each year is evidence of the fact that many have not solved the basic problems growing out of the new condition.

CLARENCE HODSON.

MICHIGAN.

The 1915 legislature of Michigan gave the people of this state a good law regulating the industrial loan business. At that time, it represented the best thought that had been given to the subject, inasmuch as it provided that lenders must have a license before they might charge the rates on small loans it provided and which seemed equitable. It also stipulated certain penalties for violations of its provisions. Four years' experience under the law has brought out some weaknesses in the 1915 law which it is hoped the 1919 legislature will correct. For example, the law applied to cities of a certain population, exempting the smaller cities, where it appears there is need for accommodation by people who do not have bank credit, so in order to secure a loan in the smaller cities it became necessary for borrowers to pay a higher rate than the state law provided. Moreover, experience has shown, no matter how careful a law is drawn which includes in addition to a reasonable interest rate, a fee as a part of the charge that may be made for a loan, there is occasionally some misunderstanding and abuse not intended by the framer of the law.

It has been found in the states of Maine, Maryland, Virginia, Indiana, and Illinois where the most recent statutes regulating the industrial loan business have been enacted, that a flat rate of 3½% per month on unpaid balances with no fees except those actually paid out to a public officer for acknowledgment or recording of papers, has given the greatest satisfaction to borrowers and lenders of small sums of money.

It is recognized now by all investigators of the subject that to accomplish its purpose, a small loan law must not only provide for license by the lender, but that state supervision is most important so that the business of the lender, whether a licensee or not, may be checked up with the law just the same as state banks and trust companies are examined periodically. Being a financial institution, pure and simple, small loan agencies belong under the supervision of the state banking department. A bond to the state for faithful observance of the law and to recover any judgments against a licensee, while not necessary according to experience, would not be objectionable to the members of this organization.

The name of the Michigan Association has been changed to Michigan Licensed Lenders Association.

The City Loan and Credit Co., Detroit, J. A. Walton, manager, was elected to membership in the Association last month.

INDUSTRIAL LENDERS NEWS

Established 1916.

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Correspondence and items intended for publication should be addressed to Geo. W. Kehr, 204 Chestnut St., Harrisburg, Pa.

Communications cordially invited.

AMERICAN INDUSTRIAL LICENSED LENDERS' ASSOCIATION.

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Treasurer, J. H. Aufderheide, 860 Lemcke Annex, Indianapolis.
Secretary, G. W. Kehr, 204 Chestnut St., Harrisburg.

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Chairman, Publicity, R. F. Hartz, 205 Law Bldg., Indianapolis.

The Executive Council is composed of the National Officers, Vice-Chairmen, and Committee Chairmen.

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Ill.—A. L. Weinschenk, 79 W. Monroe St., Chicago.
Ind.—R. C. Aufderheide, 860 Lemcke Annex, Indianapolis.
Iowa.—D. Esmond, 312 Century Bldg., Des Moines.
Md.—J. J. Wood, 9 Park Bank Bldg., Baltimore.
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N. J.—F. B. Merritt, 46 Patterson St., New Brunswick.
N. Y.—E. P. East, 175 Fifth Ave., New York.
Ohio.—J. Fred Anderson, 401 Bushnell Bldg., Springfield.
Pa.—C. H. Watts, 1011 Chestnut St., Philadelphia.
R. I.—J. H. Wickstrom, 87 Weybosset St., Providence.
Va.—A. B. McMurtrie, 417 E. Broad St., Richmond.

DECLARATION OF PRINCIPLES.

As revised by the Executive Council, January 21, 1918.

1. We will do what we can to dignify, uplift and standardize the small loan business in every quarter of the United States.

2. We will favor state legislation, uniform in character, providing licenses and supervision by a state official, with bond to the state, and providing legal rates and terms fair to both lender and borrower.

3. We will assist by publicity in educating the public to the service rendered by industrial lenders in this necessary business.

4. We will obey the small loan laws ourselves, and police the business.

5. We will regulate our public advertisements and circulars, so that they shall be dignified, truthful and straightforward.

6. We will keep our books and accounts in plain and understandable form, satisfactory to the licensing official and never refuse a borrower a statement of his account.

7. We will make an earnest effort to maintain good relations with all state officials and their examiners, and will always deal with them frankly in a spirit of coöperation, and in recognition of their duty to the public as well as to licensees.

8. We will not do anything to bring the business of the American Industrial Licensed Lenders Association, or our State Associations, into disrepute, or question as to our fair and lawful methods.

9. We will coöperate with all members of the American Industrial Licensed Lenders Association and our affiliated State Associations, in respect to accurate credit information and other advice and assist them in the collection of accounts, dealing with them in a spirit of fraternity and helpfulness.

10. We will do what we can to discourage the practice of making the same borrower or borrowers more than one loan on the same security at the same time.

NOTICE.

Members are requested to frame and display their certificate of membership in the customer's lobby.

SEEK LEGAL ACTION AGAINST BARBER-BANKER.

Christmas Fund Investors Will Ask for Receiver; "Financier" Still Missing.

At the instigation of several investors in a Christmas fund conducted by Frank M. Kohr, a barber, of 1925 West Cumberland street, Frank Smith, a lawyer, has been engaged to draw up a petition in involuntary bankruptcy. According to Mr Smith about $40,000 had been received by Kohr as deposits in the Cumberland Mutual Savings and Loan Association.

Kohr was to have paid the fund on Monday night and Tuesday morning in order that depositors might buy their Christmas presents. The first request for money, however, found Kohr missing, so that yesterday's action was the result. The petition is to be presented by Mr. Smith in the United States District Court to-day with the request that a receiver be appointed to go over the books in order to obtain a correct statement of the association's affairs.

In a statement yesterday Mr. Smith said:

"Kohr did not keep an account in bank in the name of the association, as most persons thought. He has, however, an account in the Central Trust and Savings Company amounting to nearly $4,000. In the absence of an organization with bona fide officers, Kohr was usually bonded until 1916. For the last two years, however, it was neglected to have him bonded."—*Philadelphia Inquirer, Dec. 27, 1918.*

PENNSYLVANIA.

Among the important cabinet appointments made by Governor-elect Sproul, is the appointment of former Senator John S. Fisher of Indiana county to be Commissioner of Banking succeeding Daniel F. Lafean. In connection with the appointment, Governor-elect Sproul is quoted as saying:

"Senator Fisher, although a busy and successful attorney, has had much experience along the lines of trust company and banking management and has given a great deal of study to matters of the kind.

"He was one of the organizers and principal directors of the Indiana Trust Company, a very successful institution, and he is in touch with the financial institutions of the State. Moreover, he has had a great deal of political experience and is very widely known in the State and has been my close personal and political friend for over twenty years.

"Senator Fisher served in the Senate for two terms from the Indiana-Jefferson district. He was one of the leaders in the Senate and was chairman of the committee which investigated the State Capitol scandal and made the report to Governor Stuart recommending the prosecutions in the capitol cases. He lives in Indiana, but is very well known in Pittsburgh, Harrisburg and Philadelphia. He is a ready writer and a forceful speaker and has devoted much time to financial and commercial law."

ANSWERS TO QUERY.

These answers were received from the "Query" published in the November number of the Industrial Lenders News. The first is from C. M. Erdman, manager of the Cooperative Loan and Investment Co., Lebanon, Pa. Here is what Mr.Erdman thinks:

"In my opinion 'B' should be forced to pay the endorsement of 'A', every time, no matter how good a customer 'B' is. When I endorse a note for 'A' and am not called on to pay in case he does not, I come to the conclusion that my signature is of no value. It is of no value on 'A's' note, therefore it has no more value on my own note which I may decide not to pay. My experience has been that you do not lose 'B's' business if he is compelled to pay any note he endorses and that he has all the more respect for his own account and the business. I find many articles in this issue of the NEWS of great interest."

B. L. Thuma, manager of the Capitol Loan Co., Columbus, Ohio, expresses his views as follows:

"Should I have been handling this case when 'A' came to me for the loan, if 'B' had confidence enough in 'A' to go his security, 'B' would have been confidentially informed of the fact that he would be held responsible for the loan in case 'A' did not make good, and that unless 'B' felt 'A' was entirely responsible he should not endorse the note, as the loan to 'A' was only made on our confidence in 'B'.

"Should this procedure be followed out 'B' would have no reason to object to paying the account, if 'A' was to leave the city for parts unknown, and there would then be no reason to lose 'B' as a customer.

"I have made but few such loans, and have only had one where the endorser was obliged to pay out, but because of the preliminary arrangements, 'B' paid the loan without our losing his business.

"Any business lost on account of an endorser not wanting to pay out a note, I would not consider good business for the future, and to hold his respect, I would in this case go after 'B' for the balance due on 'A's' note, for my opinion is, that allowing 'B' to slip out of paying 'A's' note would naturally cause 'B' to get indifferent and possibly spoil more than $25.00 worth of business among his friends, and eventually lose 'B' as a customer."

LOANS AND COLLECTIONS.
Policies of Successful Managers.

R. C. AUFDERHEIDE.

The two most important factors in the loan business are credits and collections; loaning money and getting it back promptly when due. They are closely allied and to reach the greatest degree of success in any office must dove-tail. The policy of granting loans depends largely upon the policy of collections.

In making loans, the manager has three classes to face; those who are honest, and will pay; those who are honest but overestimate their ability to pay and eventually fail to pay, or pay very slowly; and those who never intend to pay and who are trying to "beat the Company."

Of the first class there is little to be said. They are the accounts that pay promptly and without dunning. The second class contributes the largest per cent. to the past due accounts. They are the people who have "more than they can handle." Their indebtedness is chronic and their income is inadequate to meet their obligations. The manager, when considering the applicant for a loan, must consider the paying ability, before the security for the amount wanted. Although not dishonest, often people will obligate themselves to pay something that is physically impossible.

Those who are dishonest and intend to secure a loan under false pretences, are relatively few. In most states, laws and legal regulations for the loan business have rendered fraud dangerous and difficult.

The great majority of applicants are honest and the manager can make no bigger mistake than to assume that all people are dishonest or dead beats. This suspicious and pessimistic attitude will hurt his business more than any single factor. The loan business is not now, as formerly, in the position of one granting favors. There is now too much competition, which makes courtesy and service essential to ultimate success. The manager, who feels at liberty to tread all over the sensibilities of the applicant, can not help but lose a great deal of good business. Borrowing money does not reflect any discredit on the borrower, and legality and competition have rendered the customer more independent and sensitive.

In securing information and taking the application for a loan, the manager must use tact. Should the applicant appear sensitive, indirect questioning and an air of "it's only a matter of form," will keep the customer from becoming antagonized. Pleasantness, and a sincere and apparent desire to be helpful and accommodating, go a long way in any business.

The decision of whether to make the loan or not rests with the information and the general "look" of the applicant. However, while remembering that most people are honest, it is always policy to be on the lookout for crooks. They are either very hard or very easy to detect. Applications taken carefully and the applicant looked up thoroughly, will practically eliminate this class of fraud.

To sum up the policy of extending credit to the new customer, consider his security, his paying ability and his personal integrity. Give good service, take pains to explain, and do not assume an attitude of "here's our proposition—take it or leave it."

It is doubtless true that in every business the collections are a vital part. There is no other business where collections are more important and prominent than in the loan business. It is the very heart, and if weak makes all the rest without foundation.

The collections are closely allied to the granting of credit, as was stated in the beginning. A vigilant, sharp and intelligent collection policy will do more to reduce the percentage of delinquency, than the most careful loan making. Good collectors cannot only save a doubtful account, but a poor collector can lose many good accounts. Prompt collections will increase the volume of business, because, the customer who gets paid promptly will come back sooner. Also, the manager who keeps his collections in tip-top shape can afford to be more liberal in making loans.

Prompt payments are the easiest to make and cause the least trouble or friction, between the company and the borrower. Customers can be trained to pay promptly, as well as they can be encouraged to be slow. The longer a payment is put off the heavier the burden becomes, and the harder it is to collect. Regarding payment loans, it is well to remember that one payment delayed, throws all the rest out of gear and makes the future collecting all the more difficult.

Regarding foreclosing, this should always be a last resort. It is much better to extend the time and coax the customer along as far as possible. Foreclosure suits invariably result in a loss on the account, and whether just or unjust, give the company a bad reputation.

OHIO.

John W. Keller of the Home Chattel Loan Co., Zanesville, Ohio, takes occasion to get some good publicity in "The Masterwheel" issued by the Zanesville Rotary Club, December 31st. Here is what Mr. Keller has to say about "American Life and the Loan Business."

"America has set a standard of living for the world.

"Inborn in her people is a strong desire to possess not only the necessities of life but some of the comforts and luxuries as well.

"The impelling force within—the strong determination to earn more, is in no small way caused by the desire to own more. This is seen in the disposition of the people to possess their own homes—to build new towns and cities—to start new enterprises—and to improve social and business conditions.

"One of the marvelous facts of American progress is that many homes have been purchased and successful business founded on small investments, and in many cases on borrowed money.

"The loan business has had its place in the formation and development of a great country.

"It is a mistake to think that the business of making loans is done with the shiftless and unambitious. A major part of the business is done with people who have comfortable homes; are steadily employed; and earn good wages. This is proven by the fact that more loans are made when the country is prosperous and there is plenty of work for the people, than in dull times when many are out of employment.

"With the desire to secure the necessities of life and enjoy some comforts, has come a tendency to live up to the average income, and when the unforseen happens and money is needed for an emergency a temporary loan helps to meet obligations until such time when the affairs of the family resume their regular course, or readjustments are made to meet conditions.

"By making small loans the loan business is to the working people what the bank is to the business man. In this way the loan institutions meet a need in American life and render a service by extending financial assistance at a time when most needed at a small rate of interest.

"The act of the legislature of May 7, 1915, provides that companies engaged in the business of small loans must be licensed and bonded in the sum $2,000.00 and that the business must be conducted under the supervision of The State Commissioner of Securities.

"It further provides for examination of the books of licensees; that complete records must be kept of all transactions, and that statements in advertisement mus be in conformity with law.

"Further information will be given upon request."

INDIANA.

R. C. Aufderheide, Secretary of the Indiana Association, under date of December 20, writes as follows:

"Through the ravages of the influenza, we have lost two members in the Indiana Association. Mrs. Jessie A. Rohrer, proprietor of the New Goshen Loan Co., Goshen, Ind., and Mr. Wm. Gramelspacker, proprietor of the Crescent Loan and Investment Co., Evansville, Ind. The Indiana Association has extended its sympathy to the families of both." Mr. Aufderheide also writes the National Secretary for copies of The Loan Gazette, Volume 1, No. 2, Volume 1, No. 3, for the purpose of binding. The National Secretary does not have any surplus copies on hand but will be pleased if any other member or individual will comply with this request.

The Marion papers issued January 8, 9 and 10, made very complimentary references to Austin C. Broughman, general manager of the Legal Loan Co., as well as Chairman of the Indiana Association, in connection with his address before the Kiwanis Club, January 9. The *Marion Leader Tribune* quotes Mr. Broughman as follows:

"There has never been a time when men in all walks of life did not, at some period in their lives, find it necessary to borrow money.

"The capitalist calls upon his banker when making investments; the manufacturer could not successfully operate his factory without an established banking credit; the merchant must have money beyond the limits of his capital and calls upon his bank to supply the deficiency; likewise, the salaried man and wage-earner, called upon to meet some unusual and unexpected expense for which no adequate provision has been made, has to find some source of relief.

"The business man of commercial standing can usually meet an unex-

pected obligation by making a loan with his bank on such banking securities as he may possess; he may mortgage his real estate; and his credit, if he has paid his bills promptly in the past, is good with his landlord and grocer for an extended period.

"The average salaried man and wage-earner has no negotiable securities; his credit is limited and the thought of applying to a friend for help is repulsive, even if the friend were financially able to help him, which is seldom the case. He is honest and means to pay every obligation if given a reasonable chance. He looks around and finds that he has nothing of value which he can offer as security for a loan, but a mortgage on his household furniture. He realizes that a bank will not lend money on this class of security and that the only place from which he can secure the needed accommodation is the 'small loan company.'"

BUSINESS OF LENDING.

"The business of lending money on this particular class of security has been developed in recent years as the result of an absolute demand growing out of our industrial and economic conditions; and the fact that the legislatures of twenty or more of our states, among them Indiana, have, in recent years, passed laws legalizing, regulating and supervising the business of lending money in small amounts on classes of security not accepted by banks, establishes, beyond question, the fact that the 'small loan company' is recognized by those who have studied the subject, as a necessary business institution. Especially is this true when one stops to consider that these state laws have been passed, not as political measures, but as the result of the efforts of public welfare and social service organizations assisted by practical business men, progressive commercial bodies and prominent citizens, who had made the problems of the wage earner a special study and whose only object in seeking legislation was a sincere desire to improve the conditions of the working classes and give them a place where temporary financial assistance could be secured.

"The small loan company bridges the chasm between the banking institution and the organized relief society. The patron of the small loan company would resent an insinuation that he is an object of charity. He is self-respecting, independent and proud; and asks only for a place where he can secure the needed accommodation, for which he is willing to pay a reasonable price.

"Those who have not studied the problems of our working classes, may take the position that the small loan company encourages thriftlessness and extravagance; and is the haven of the family guilty of bad management and reckless living; but such is not the case. Many people do not realize that in every community there is a large class of wage-earners and salaried people, whose incomes, under the most favorable circumstances, are just about sufficient to remove them from the danger line of want and distress. There is no surplus even with the most careful management, to lay aside for the 'rainy day'; no reserve for the time when the bread winner ceases to be productive, through temporary incapacity or other causes beyond his control: no surplus with which to pay the unexpected doctor's bill or provide, in advance, for the expense of an operation necessary, perhaps, to save the life of some member of the family. The natural desire of every man to surround his family with as many comforts as possible; increasing families and the duties incumbent upon the proper education of children, combine to draw the line of expenditures close to the limit of income."

MERITS OF BUSINESS.

"The question, therefore, for us to consider to-day is: 'To what extent is the small loan business essential under the present changed conditions, and is the business really indispensable?'

"While it is true that the abundance of work and high scale of wages has a tendency to make borrowing less necessary with certain classes of people, it is also true that the advance in the cost of every item entering into the living expense of the average American family has quite kept pace with, if not exceeded, the advance in wages. It is also human nature for the laboring man to spend more liberally now, than when wages were lower; to live better and supply his family with little luxuries which he was never before able to afford.

"The steady increase in the cost of living has also affected very materially another large class of people. I refer to the great middle class of people—teachers, clerks, salesmen, bookkeepers, office men of every description, railroad and street railway employes, professional men with limited practice, small merchants and manufacturers with little or no banking credit, and widows, depending for the support of themselves and children, upon the incomes from small investments. The advance in their salaries and incomes has not by any means kept pace with the advance in everything essential to maintain a fair standard of living; and many who had never before found it necessary to borrow to meet unexpected emergencies, have, under present conditions, been compelled to seek financial assistance and have become patrons of the small loan company."

Mr. Roy F. Hartz, National Chairman of Publicity sends the following copy which was inserted in the leading Indiana newspapers during the early part of January in connection with the Indiana Association's publicity campaign:

Facts for the General Public.

The industrial loan business, which was once held up to criticism, has now taken its place alongside of the most dignified financial institutions of the state, commanding the respect and confidence of every one. In operating under laws fixed by the state of Indiana, better methods and policies have superseded former practices. Many companies have been forced out and men of high character and purpose have become interested and are now conducting the business.

At no time in the history of the loan business have the interests of the public been more broadly considered and safeguarded.

Heretofore no associated effort has been made to establish a system for conducting the business on a higher plane. However, to-day the business is conducted along the same lines as any bank, being under the supervision of the Auditor of the State of Indiana. All this has come about through the untiring efforts of the Auditor of State, Indiana Industrial Licensed Lenders' Association, civic organizations and the press. A number of states have adopted laws similar to Indiana, which is considered fair and just to all.

With this in mind, the Indiana Industrial Licensed Lenders' Association places these facts before the public, that they may know and be able to judge for themselves the service rendered and that we also may extend our business to a greater number of people who may have a wrong impression about the business in general.

SERVICE DEPARTMENT.

The Indiana Industrial Lenders' Association has been organized for the purpose of upholding legal methods in the transaction of the Industrial loan business, and also for the maintaining of a high standard of service. In order that this plan may be conducted in the interest of the public a service department has been established for the purpose of considering matters of mutual interest to the public and the companies. It is the desire of this department to receive suggestions and ideas for the furtherance of this service. These may be submitted to this department and will be given careful consideration.

INDIANA INDUSTRIAL LICENSED LENDER'S ASSN.
860 Lemcke Annex, Indianapolis, Ind.

Mr. Hartz also suggests that each State Association consider and take some action on the subject of publicity at its next meeting.

CIVIL RELIEF—SOLDIERS AND SAILORS.

Mr. Webb of N. C.: To amend paragrap one of section 200 of Article two of the Act entitled "An Act to extend protection to the civil rights of members of the Military and Naval Establishments of the United States engaged in the present war," approved March 8, 1918.

The bill proposes to amend section 200 of the statute referred to above, and to permit the United States, in cases in which it may be a plaintiff against defendants who are in the military or naval service, to take a default judgment against them without filing an indemnity bond, but upon payment of costs.

Status: Reported by H. Com. on the Judiciary, 12-5-18. (H. Rept. No. 841.)

In asking for the credit rating on persons unknown to you, or persons moving to the city, it is highly essential, if the most effective ratings are to be secured for you, to secure references from the persons seeking credit. Many merchants understand this. Some do not.

Don't ever let the debtor know you have given up hope; and, as long as possible, make him think you think he is as anxious to pay as you are to have him. Remember, always, and do not consider any man dishonest until he has proven himself so. Do not resort to threats or severity until conditions absolutely demand them. The debtor who has been harried and aggravated by the ordinary "give me the money" letter will have a pleasant surprise if you first show him a personal understanding of his case.

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MAR 8 1919

"OVER THERE."

Some actual observations by C. H. Hood, of Baltimore, now associated with the Cooperative Loan and Investment Co. Mr. Hood enlisted in the Canadian army in the early part of the war and is one of the few men who have come back alive. He participated in the hardest fighting of the war. Besides being several times wounded, he lost his left arm.

"No doubt you have all heard that the Canadians did not take prisoners, but I doubt if any of you have heard the true reason for it.

"When we went into our first battle, which was at Ypres, on April 21st and 22nd, 1915, the Germans launched all sorts of hellish war machines against us, the worst of which was asphyxiating gas.

"Now, it was in direct violation of all International Law and treaties which the Imperial German Government had themselves signed agreeing with the rest of the great powers of the world not to use such things in warfare. But the world knows they did use it and many other means of fighting which were illegal and immoral.

"We, of the 1st Canadian Contingent, were only 33,500 strong and we went up against enemy forces which outnumbered us ten to one at the beginning of that battle. Their gas put about 10,000 of us out of action, and their artillery, machine guns and rifles, about 5,000 more, so you can see the odds against us and to make matters worse, the Algerian forces of the French Army on our left beat a hasty retreat through their fear of the gas, and left a gap of a mile frontage wide open. Well, we extended our line that mile, filled the gap, fought against about 32 trained men of the so-called finest troops on earth, to our one man of green troops and *held* them. This was Germany's first great effort to reach the Channel ports. It failed and so did all her others to reach them, many of which she made during the four years of war.

"On the 22nd of April, the second day of this battle, we succeeded in driving the enemy back at one point from a little village, and there found Sergeant Wood of the Canadian Scottish, crucified to a barn door, nailed there as Christ was nailed to the Cross, and he was alive! On a placard above his head were the words, 'This is how Germany treats those who dare resist her Imperial will.'

"Those men took him down, carried him back of the line and got medical aid at once. He was a raving maniac when they found him and lived two days in that condition and then a merciful God relieved him of his sufferings. After his funeral, which was held after we were relieved from the front line by English troops, every Canadian soldier who could be, was in attendance, and over his dead body, they swore to Almighty God that they would never take another German prisoner. And they lived to avenge his humiliation and suffering.

"I don't suppose you gentlemen know what a Jack Johnson shell and gun are. Well, they are just what the name implies, the champion gun and shell in the world and are only used in siege work against cities which an enemy has decided to destroy. There are several reasons for destroying cities in war time. In this particular instance, the reason for Germany destroying Ypres was to make it uninhabitable for the Allied troops and also since they expected to march to the Channel ports, they would remove the only city between them and Calais which was the first port they would reach.

"The Jack Johnson gun is what is known as a Howitzer. It is fired only by electricity and sends the shell about 17 miles, which is almost unbelievable when you understand that the shell is 6 feet, 5 inches in length and about 2½ feet in diameter. Those shells came through the air like an express train, and made three distinct explosions. They are the only shell on earth, I believe, which makes more than one report upon exploding and maybe things don't move away from where they sit down.

"I have stood in the city of Ypres during that terrible bombardment and have been looking at a three-story brick building and all of a sudden it wasn't. A few seconds after it wasn't; such a shower of bricks and dust, and tiles and timber, followed by the most deafening roar which fairly shook the ground under your feet.

"There were lots of people killed by the concussion without a scratch on them. We found any number of young women, children and men lying dead in the streets and when we examined them, there wasn't a sign of anything being wrong with them except that life was extinct. The doctor said it was caused by the shock to the heart, caused by the force of the concussion of the terriffic explosion.

"While I am talking about the bombardment of Ypres, I want to say, out of fairness to the Germans that they observed the regulations of International warfare in notifying the citizens of their intentions to bombard the city. It may be interesting to you to know how they notify people. About five in the afternoon, on April 19, 1915, a squadron of German planes flew over the city, each one flying the British and French flag from its nose and the German flag from its tail. That always shows that an enemy plane has friendly intentions at that time towards the countries of those flags at the nose of the planes.

"The word was passed around for no one to harm them and you can imagine the restraint with which the men obeyed the orders and the comments which were made by the fellows regarding the 'nerve of certain peoples' children' and such like remarks. They flew very low over the city and dropped thousands of leaflets printed in French and English, telling the population that they found it necessary to besiege the town and gave them twenty-four hours to leave.

"Of course, many of the inhabitants were caught still in the town when the shelling began and hundreds were killed and wounded. We were kept busy attending their wounded, in addition to our own and you can imagine that we ate no idle meals those days. In fact, we didn't eat many of any kind for we hadn't time to stop working long enough to eat or sleep for several days and nights.

"Aside from the terrible sights of those poor women and children lying about on the ground horribly wounded, it seems to me, the thing which impressed me as being the next most pitiful was the destruction of that beautiful old historic Cloth Hall, which was world famous. That was one of the fine old Flemish relics that all visitors to Europe went to see, and it can never be replaced. Utterly destroyed, like so many of the structures of culture and science and the Arts, of France and Belgium, and what for? Just because one man in the capacity of a Sovereign, was mad! Because one man or set of men were not satisfied to remain at home and develop their own country and make of it a rich, enterprising nation of clean minded, healthy, happy and honorable people, but they must instill into their very souls, the desire for military conquest and a thirst for bloodshed, with that one idea always before them that 'Might makes Right.' Mixed with that was the terribly mistaken idea that the end justifies the means.'"

KENTUCKY.

The Peoples' Provident Assn., of Louisville, Ky., of which R. M. Rutherford is manager, has issued a little booklet on the subject: "Why the Small Loan Business is Essential." The booklet covers the subject in an interesting and convincing manner and can be used to advantage for educational work in any state where this subject is not fully understood and appreciated.

INDUSTRIAL LENDERS NEWS

Established 1916.

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Correspondence and items intended for publication should be addressed to Geo. W. Kehr, 204 Chestnut St., Harrisburg, Pa.

Communications cordially invited.

AMERICAN INDUSTRIAL LICENSED LENDERS' ASSOCIATION.

NATIONAL OFFICERS, 1918-1919.

Chairman, J. H. Dyer, 404 Bank of Commerce Bldg., Columbus.
Treasurer, J. H. Aufderheide, 860 Lemcke Annex, Indianapolis.
Secretary, G. W. Kehr, 204 Chestnut St., Harrisburg.

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Md.—William Young, 419 Munsey Bldg., Baltimore.
Mich.—J. E. Ryan, 707 Breitmeyer Bldg., Detroit.
N. J.—J. W. Whitstone, Frost Bldg., Plainfield.
N. Y.—R. W. Sharp, 51 Liberty St., New York.
Ohio.—J. H. Dyer, Esq., 404 Bank of Commerce Bldg., Columbus.
Pa.—A. S. Ezekiel, 1033 Chestnut St., Philadelphia.
R. I.—W. G. Wood, 268 Westminster St., Providence.
Va.—J. H. Hancock, 412 E. Marshall St., Richmond.
Unorganized States.—R. M. Rutherford, 202 Coleman Bldg., Louisville, Ky.

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Chairman, Auditing, W. A. Zumpfe, 701 Odd Fellows' Bldg., Indianapolis.
Chairman, Finance, L. T. Baker, 109 N. Dearborn St., Chicago.
Chairman, Law, F. R. Hubachek, Esq., 610 McKnight Bldg., Minneapolis.
Chairman, Legislation, W. P. Woll, 337 W. Madison St., Chicago.
Chairman, Membership, Dr. C. G. Mueller, 1006 Liberty Bldg., Philadelphia.
Chairman, Publicity, R. F. Hartz, 205 Law Bldg., Indianapolis.

The Executive Council is composed of the National Officers, Vice-Chairmen, and Committee Chairmen.

STATE SECRETARIES.

Ill.—L. T. Baker, 109 N. Dearborn St., Chicago.
Ind.—R. C. Aufderheide, 860 Lemcke Annex, Indianapolis.
Iowa.—D. Esmond, 312 Century Bldg., Des Moines.
Md.—W. P. Pentz, 111 N. Charles St., Baltimore.
Mich.—H. D. Firth, 407 5th Natl. Bk. Bldg., Grand Rapids.
N. J.—P. L. Alberse, 411 Romaine Bldg., Paterson.
N. Y.—E. P. East, 175 Fifth Ave., New York.
Ohio.—J. Fred Anderson, 401 Bushnell Bldg., Springfield.
Pa.—C. H. Watts, 1011 Chestnut St., Philadelphia.
R. I.—J. H. Wickstrom, 87 Weybosset St., Providence.
Va.—A. B. McMurtrie, 417 E. Broad St., Richmond.

DECLARATION OF PRINCIPLES.

As revised by the Executive Council, January 21, 1918.

1. We will do what we can to dignify, uplift and standardize the small loan business in every quarter of the United States.

2. We will favor state legislation, uniform in character, providing licenses and supervision by a state official, with bond to the state, and providing legal rates and terms fair to both lender and borrower.

3. We will assist by publicity in educating the public to the service rendered by industrial lenders in this necessary business.

4. We will obey the small loan laws ourselves, and police the business.

5. We will regulate our public advertisements and circulars, so that they shall be dignified, truthful and straightforward.

6. We will keep our books and accounts in plain and understandable form, satisfactory to the licensing official and never refuse a borrower a statement of his account.

7. We will make an earnest effort to maintain good relations with all state officials and their examiners, and will always deal with them frankly in a spirit of coöperation, and in recognition of their duty to the public as well as to licensees.

8. We will not do anything to bring the business of the American Industrial Licensed Lenders Association, or our State Associations, into disrepute, or question as to our fair and lawful methods.

9. We will coöperate with all members of the American Industrial Licensed Lenders Association and our affiliated State Associations, in respect to accurate credit information and other advice and assist them in the collection of accounts, dealing with them in a spirit of fraternity and helpfulness.

10. We will do what we can to discourage the practice of making the same borrower or borrowers more than one loan on the same security at the same time.

NOTICE.

Members are requested to frame and display their certificate of membership in the customer's lobby.

THE FEBRUARY AMERICAN MAGAZINE.

Managers and employees in industrial loan offices will find articles in the February American Magazine entitled, "Are Women Less Honest Than Men?" interesting reading. A prominent man and woman answer this question in opposite ways. Prizes are offered for the best experiences on this subject. Doubtless our members can tell of interesting experiences on this subject. If you do not wish to become a competitor for any of the prizes offered by the magazine, let us have your experiences for publication in the Industrial Lenders News.

VIRGINIA.

A special meeting of the Virginia Association was held in Richmond, Jan. 30, with the following members present: C. S. Thompson of the Beneficial Loan Assn., J. S. Edge of the Home Guarantee Co., A. B. McMurtrie of the Citizens Loan Society and J. H. Hancock of the Central Loan Co., and L. B. Williams, Citizens Loan Society of Norfolk.

C. S. Thompson, Chairman of the Membership Committee reported progress and L. B. Williams reported that he had secured the membership of the Empire Loan Co., Norfolk, Va.

Mr. Thompson outlined the advantages of being a member of the State Association and called attention to the accomplishments of some of the older State Associations. Mr. Thompson was appointed to take up with the State Banking Department, the question of a charge for recording deeds of trust and other papers and to endeavor to get a ruling which would make the matter definite so far as the industrial loan business is concerned. Messrs. Thompson and Teel were appointed a committee to see G. K. Pollock, an attorney, for the purpose of having Mr. Pollock draw up a petition to be presented to the Finance Committee to the city of Richmond in the hope that the exorbitant city license may be reduced.

The following permanent officers of the Association were elected: Chairman, J. H. Hancock; Vice-Chairman, J. S. Edge; Secretary, A. B. McMurtrie; Treasurer, L. E. Pope. An Executive Committee consisting of V. D. Moss, William Young, F. H. Goss and C. S. Thompson, was appointed by the new chairman.

The regrets of the National Secretary, who together with some other out of town members who had been invited to attend the meeting but could not on account of other imperative business, were read.

OHIO.

The Ohio Loan Ass'n. held a midwinter meeting at The Hotel Deshler, Jan. 28, 1919, meeting at 12 o'clock dinner in the parlors of the hotel.

45 members and guests were in attendance, and it proved to be one of the most interesting meetings of the Assn.

Mr. R. V. Barto, chief inspector of the Department of Securities of Ohio, was present and responded with an address to the members in which the loan business in Ohio was ably considered from the standpoint of advantages to be availed of and dangers and pitfalls to be avoided.

Mr. W. G. Wood, of Providence, R. I., was one of the guests, having been persuaded to remain over from the A. A. meeting, and we were delighted and instructed with one of his usual good speeches.

Mr. A. C. Broughman, chairman of the Ind. Ass'n. and Mr. R. F. Hartz, also remained over for the festivities of the Ohio bunch, the former, as he admitted in open court on account of the arid condition of our sister state on the west. However, they were both in good form, and responded in a way that was much appreciated.

Resolutions were adopted on the death of E. J. Schoonover of The City Loan & Savings Co., and Mr. John Oldham, of Sidney, O., a tribute to the memory of each was also delivered by J. F. Anderson.

Two new members were elected, The Industrial Loan Co., of Columbus, Ohio, and Mr. E. T. Binns, of Bryan, Ohio. Other regular and routine business was transacted.

Thus far no legislation has been proposed affecting the small loan business. A bill has been introduced and passed the senate, requiring the signature of both husband and wife on a chattel mortgage covering household goods. All members in Ohio now require the signature of both parties and therefore this legislation is not regarded as of any importance to the business. The Legal Aid Societies in Cincinnati, in conjunction with the pawn brokers are working up a bill to regulate pawn brokers, but it has not yet appeared in the legislature.

ILLINOIS.

Mr. Arthur L. Weinschenk, who served the Illinois Association as Secretary since its organization, has retired from that office and Mr. L. T. Baker has succeeded him. We regret that pressure of other work made this action necessary by Mr. Weinschenk but we wish to congratulate Mr. Baker and express the hope that he will be able to fill the office as creditably as his predecessor.

HELP WANTED.

Experienced loan man to travel. Must be competent to employ and instruct office managers and collectors. State experience fully. Address, National Secretary, Box 778, Harrisburg, Pa.

PENNSYLVANIA.

Representative J. A. Walker, of Philadelphia, Chairman of the Banks and Banking Committee has introduced at the request of the State Banking Department, a bill in the House which seeks to amend Sections 1, 2 and 3 of the Cox Law of 1915, which refer to the charges that may be made on loans with or without security amounting to $300 or less.

The existing law provides a rate of 3 per cent. a month on unpaid balances on loans up to $100, and 2 per cent. a month on loans from $101 to $300. In addition to this charge, fees of $1.00 are charged on loans from $15 to $50 and fees of $2.00 on loans over $50 to $300. Although the spirit of the Cox Law implied that not over three fees might be charged the same borrower in one year, technichally, it has been possible to collect more than three fees from the same borrower in one year and some lenders have taken advantage of this weakness in the law. The result has been, borrowers paid a higher rate for their loans than was intended by the author of the Law, which goes to prove the fact which the Division of Remedial Loans of the Russell Sage Foundation have long since established, namely, that no matter how carefully a law may be drawn which permits fees, commissions and brokerage in addition to a rate of interest, it will be abused and the only way to regulate the rate so that it will be fair to borrower and lender, is to fix a flat rate for small loans at 3½ per cent. per month on unpaid balances, and allow no other charge whatsoever. The amendment reads as follows: "Licensees under the Act may charge borrowers for the use or loan, interest at a rate not to exceed three and one-half per centum per month. No fees, fines or other charges in addition to or as a part of the above specified interest shall be charged or collected under any pretext whatsoever." It also provides that interest may not be compounded but must be computed or unpaid balances for the time that has elapsed at the date of payment.

Should the Walker amendment be approved, which seems probable, in view of its origin and support, Pennsylvania will be the sixth state which has adopted the so-called "scientific rate" of 3½ per cent. per month on loans of $300 or less. Maine, Maryland, Virginia, Indiana and Illinois are the other states which have enacted in 1917 and 1918 laws providing a similar rate. Virginia, however, permits a charge of 5 per cent. per month on loans up to $50.

Under date of Jan. 14, Joseph L. Kun, Deputy Attorney General addressed the following reply to an inquiry from the State Banking Commissioner, which is self-explanatory:

"SIR:—I am in receipt of your recent inquiry relative to interest charges collectible under the act of June 17, 1915, P. L. 1012, known as the Loan Shark Act.

"Section 2 of the act provides for rates of interest 'upon loans not exceeding One Hundred Dollars in amount not more than three per centum per month; upon loans exceeding One Hundred Dollars in amount, and not exceeding Three Hundred Dollars, not more than two per centum per month' (and in addition, certain fees for investigation, etc.)

"There is also provision in the same section that 'interest shall not be payable in advance and shall be chargeable only upon unpaid balances.'

"Certain money lenders have advanced the ingenius contention that because of this latter provision, when a loan originally made for more than One Hundred Dollars (on which the interest rate is two per cent per month) has been reduced to One Hundred Dollars, or less, the interest charge of three per cent per month may be made on such balances.

"The difficulty with this proposition is that the provision as to charging interest 'only upon unpaid balances' has no reference whatever to the rate of interest, but is directed to the principal upon which interest provided by the act may be charged.

"This legislation was not passed in the interest of money lenders, but in aid of 'individuals pressed by lack of funds to meet immediate necessities,' as stated in Section 2 of the Act.

"This legislation must, therefore, be construed most liberally as to them and on the other hand most strictly as to any claim thereunder to charge usurious interest not specifically and clearly authorized therein.

"The rate of interest chargeable under the Act is clearly fixed according to the amount of the loan when made and there is no logical theory upon which that rate may be changed. There cannot be two rates of interest on the same loan. Indeed, if there could be any doubt about that proposition it is removed by the legislative expression in the same Section:

"'It shall not be lawful for said lender to divide or split up applications for loans, under any pretext whatsoever, so as to require or exact any other or greater charges than prescribed therein; or to make any charges for renewals or extensions or for any transfers or changes, of any loan or loans within four months of the date of the original loan.'

"You are, therefore, advised that upon loans exceeding One Hundred Dollars in amount and not exceeding Three Hundred Dollars in amount, not more than two per centum per month may be charged, and this rate of interest cannot be legally increased to three per centum per month on any unpaid balance thereof at any time."

CALIFORNIA.

Under date of Jan. 30, A. V. Hill, Chairman of the California Association of Small Loan Brokers wrote the National Secretary as follows:

"At a recent meeting of the California Association, it was voted to disband the Association and this of course will sever the connection with the National body. This action we regret very much, but as all the members of the California Association had discontinued the making of loans, with the exception of Mr. T. J. Welk, who has changed from a chattel office to the pawn brokers business, no one felt they were interested enough to keep up their membership.

The secretary has been instructed to send you the official notice of our action, which you will no doubt receive very shortly.

Personally, I am very sorry that this was necessary, as my relations with the California Association as well as with you as secretary of the National Association and other members of same, have been a source of pleasure as well as profit to myself, and I shall always continue to have the success and growth of the Association as an earnest desire on my part."

Here are the resolutions adopted by the California Association:

At the regular meeting of the California Association of Small Loan Brokers held at 308 Broadway Central Building, Los Angeles, California, on the 25th day of January, 1919, the following resolution was adopted:

WHEREAS: This Association was formed for the purpose encouraging fair legislation that would afford protection to both the lender and the borrower, and promote fair and lawful *methods in* the conduct of the small loan business in the State of California, and

WHEREAS: At the election of November, 1918, the people of the State of California enacted a Usury Law making the maximum rate of interest in this state so low that the members of this Association believed that it would be unprofittable to longer continue in business, and

WHEREAS: The members of this Association have or are about to retire from the small loan business in this state, therefore

BE IT RESOLVED, That the California Association of Small Loan Brokers shall cease to exist as an association on and after the 25th day of January, 1919, and be it

FURTHER RESOLVED, That the secretary be and is hereby instructed to mail a copy of this resolution to the secretary of the American Industrial Licensed Lenders Association.

A. V. HILL, *Chairman.*
J. G. CALDWELL, *Secretary.*

MARYLAND.

An interesting meeting of the Maryland Association was held in Baltimore, February 11. Some thirty members were present and entered into the discussions of the numerous subjects pending in that state, with respect to advertising, the administration of the new law, and the operations of some non-members. Developments of an interesting character are expected before long. The committee assigned for the purpose, reported that the Baltimore newspapers had agreed not to publish the advertising of any individual, firm or corporation in the "Money to Loan" column, who trafficks in Liberty Bonds. After the regular business was disposed of, several interesting papers were read.

SITUATION WANTED.

Live wire in the Middle West desires to make a change to a bigger field and will entertain a proposition from any individual, firm or corporation that desires an efficient manager for a large office, or an auditor for a chain of offices. Address, National Secretary, Box 778, Harrisburg, Pa.

SELLING MONEY.

W. P. Pentz, Manager of the Household Loan Co., Baltimore, read this interesting paper at the Maryland Association meeting:

I will ask you to consider with me a few thoughts on "The Selling of Money."

To sell money successfully the same careful training is necessary as is given by business houses of other lines.

I, believe, therefore, it is the duty of every manager of a loan office to carefully prepare himself along salesmanship lines and then school his sub-ordinates. By so doing, you will be safe-guarding against an unnecessary loss of deals. We all know that our open accounts can dwindle away through lack of salesmanship ability and training on the part of the employes.

Salesmanship training teaches one to realize the expense and effort of an advertising campaign. Just what has been done to get the prospective customer interested, and how easily some little discourteous act can cause the applicant to decline the deal and tell his borrowing friends to your detriment, if he desires, how badly he was received.

These few remarks bring us to the main subject of my talk. "The securing of the Application." We are all prone to overlook the bigness of this part of our work. Supposing you were to enter a loan office for the first time would you not be just a little nervous, or afraid some friends might see you? Or possibly you have been some conscientious objector, who hearing of the new law and its reforms, desire a loan. Wouldn't you be favorably impressed if you were invited to enter the office and then the manager personally would take your application? Then, being assured by the manager that your application would receive prompt attention, I say, wouldn't you be well impressed?

It has been said this method takes too much time. *But*, can too much time be spent if necessary, to turn inquiries into applications, applications into good deals? We all know the necessity of a thorough application. It prompts a thorough look up by our outside man, all of which is necessary to make good deals.

Why should a manager take the application? Could not a well trained girl do it as well? No, emphatically, No, she is not as experienced in handling people as you, Mr Manager. Your outside experience and your experience to date enables you to do it more thoroughly than your young lady. Furthermore, would you be willing for her to take the responsibility of rendering decisions on all questions asked by the applicant. Surely, then, it would be unwise for her to say, "I'll ask the manager." The prospect would wonder why the manager couldn't be seen. For, to a conscientious borrower, it is an important matter to make a loan, cleaning up old debts, buying a home, etc., and to talk it over with a subordinate, doesn't impress them as just right. Furthermore, you may be able to overcome some little prejudice by virtue of your office, giving you more prestige to convince the prospect. Likewise, a prospect likes to see the man who will have charge of the deal after the loan is made, and can he form a good impression of you by your subordinate? He may think she has a pleasing personality or is a good business girl, but you won't enter into their mind as being partly responsible for this training.

I take the application after the prospect is in one of the private offices, because, (1) it shows we are considerate, (2) when in the office they are more communicative, and a better application is received, (3) I can observe the prospect in his natural frame of mind, and better instruct the representative how to proceed when at the house, etc. (4) I can warn the man to get an old neighborhood look up because the prospect just did not impress me he was being frank in his statements, due to my experience being a close observer, (5) Because I realize competition is keen and I do not want to take an unnecessary chance of losing a deal through lack of thoroughness in rendering my decision. The outside man can be prejudiced by a petty debt at the grocer and advise declining the deal. If I go over his head I want him to know I did it after careful consideration. To promiscuously make loans when the outside man feels it should be turned down, you are taking chances of ruining your man, if he is interested in his work. For, were I in his place, I should wonder why my opinion didn't count for something. If it didn't, I would know my success was limited and I was not to get very far with that manager. Will he have the same interest to chase your accounts after he repeatedly cautions against making deals, then you hand him a card to chase? Yet, to be fair to the firm, customer, and yourself, it is necessary that you use your own judgment. You can't do this unless you have had your customers closeted and gotten the desired information.

Again, is it not inconsistent to advertise, courtesy, privacy, and consideration, and when a prospect calls, let him stand at your window to be asked questions which in the prospect's mind seem unnecessary? When he realizes he was in your office several minutes, and was not offered a seat, does he consider you, courteous? When you kept him at the window to answer questions about his work and income, does he think you considerate? Other people standing there listening certainly does not impress him that your deal is private. A friend or neighbor may enter and cause your prospect to become embarrassed and say, "Well, I will think it over." Away goes your prospective customer never to return.

So you see we can dwell on this subject indefinitely due to the many things to be considered if a good application is to be had. However the points I have tried to bring out I hope show you the necessity of the manager taking the application in the private office and the salesmanship ability and training of every one to sell and hold your customer all through the original deal and deals to follow.

OUTSIDE TIPS.

Miss E. A. Pitt, of the Peoples Loan Society, Baltimore, related some of her experiences as an investigator at the recent Maryland Association meeting:—"Permit me to impart to you what I have learned as an investigator for the line of business we all represent, The Industrial Loan Business. It has been a source of pleasure to me in my work to meet so many people that have never had a loan before (that is what they all say when you call at their homes). I have never answered any of them at the time when they mention this, but generally get busy with some trifle or other to detract their attention. Then when they appear to have forgotten what their plans may have been for telling me how honest they are, and that they have never done such a thing before, I generally begin with some little bill that they may have, and finally wind up by telling them that I am here to help them and eventually draw out all the information in the way of the number of loans they really have, and very often find that the majority carry from three to four loans at all times. Now I do not let them feel that they have become outcasts, but on the other hand I show them where they have done themselves an injustice by loading up with so many companies, when the proper course would have been to go to the company where they had established their credit, and have a heart to heart talk with the manager and show them where the company would help them out of their difficulties—would put them on their feet, and practically start life over again with a clean slate.

"My experience with these people has taught me that 80 per cent. of the borrowing class do not tell the truth when you merely ask them plain questions. If I should go to a Mrs. Smith and list her goods after securing my report, and should ask her have you a loan any place at the present time, invariably she would say 'No!' 'This is the first time that I have had to do such a thing.' Knowing this, I never ask them if they have a loan, but on the other hand I generally tell them that they have other loans when I convince applicants I am their friend, a new light dawns on them and they open up and tell me what they owe. The result is that I have made a most desirable customer out of one that was about to go bad with probably a half dozen companies. I also find that the neighbors generally know more about applicants business that the applicants themselves, and I secure lots of valuable information from neighbors before going to the house. They mostly advise me of the number of collectors that visit the particular party that I am inquiring about, and also whether the husband works steady, and they often tell about how much Mrs. Smith pays for her hats. That gives me an idea of how saving or extravagant she may be and in that way I am able to judge as to the amount of money she would be able to use to advantage.

"Now we take the grocer who generally wants to know to whom he is speaking. I mostly tell him that the party of whom I am inquiring wants a little credit, and begin to feel him out. Here you must use diploamacy, for it is up to you to find out whether the applicants have promised the grocer some money probably on a bill they may owe for a long time. So it is up to you to find out first what he knows. Often they are afraid the information they may give will get back to a customer, thereby causing him to lose a bill and the customer. You certainly must gain their confidence before you can get any information, and with a little careful study of your man, this can be accomplished. Now by getting all this information and the neighborhood report first, you are well fortified to practically put the applicant on the defensive. We all know from the lessons learned by the war that it is far better to be on the offensive, and truth and justice will prevail. The result that may be expected is a clean loan, and many a bad one that will go to any extreme to secure money is rescued, and a saving of perhaps many dollars to all concerned."

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INDUSTRIAL LENDERS NEWS

Official Organ American Industrial Licensed Lenders Association Which Is a Member of the Chamber of Commerce of the U. S. A.

Vol. III. No. 9. MARCH, 1919. Price, $1.00 a Year.

DISTRICT OF COLUMBIA.

On March 3, the Court of Appeals handed down a decision sustaining the lower court as to the Judge's instructions to the Jury in the case of George D. Horning versus the District of Columbia. Mr. Horning has appealed his case to the Supreme Court of the United States. Meanwhile Mr. Horning is doing business and expects to continue, believing that the methods under which his business is conducted are legitimate. It is unfortunate that pressure of other matters before the U. S. Congress had prevented the enactment of adequate legislation so that the industrial loan and pawnbroking business cannot properly be conducted in the District of Columbia.

INDIANA.

The Indiana Legislature met in biennial session, January 2, and adjourned March 11, leaving the Uniform Small Loan Law enacted by the 1917 Legislature, providing supervision by the Auditor of the State and the 3½ per cent. flat rate of interest, intact. A bill threatening to reduce the interest to 2 per cent. a month was not seriously considered by the Committee which killed it. Sufficient knowledge is available for the use of legislators to convince them that a rate of 3½ per cent. interest on small loans, most of which are made without security, is not excessive and allows only sufficient to pay operating expenses and losses and a fair return on the investment.

The Indiana Association has placed in the hands of its members, the most handsome and practical membership sign that has come to our notice. The sign measures four by six inches, is dark blue in color and is made of crysto-glass by the Whitehead & Hoag Co., Newark, N. J. It bears on its face the words "Indiana Industrial Licensed Lenders Association" in golden sunken letters and there is a space for the insertion of a card certifying that the holder is a member of the Indiana Association, and that his dues are paid for the six months ending June 30, 1919. Over the face are the numerals 1919. The certificate bears the name of the secretary of the Association, R. C. Aufderheide. The sign is suspended on a brass chain and may be hung up in a conspicuous place in any member's office. The signs cost $1.00 each.

The Indiana Association has somewhat curtailed its publicity efforts but it is worth mentioning that on Feb. 8, "The Union," a labor weekly devoted to the best interests of the working classes, carried an article entitled, "Why the Small Loan Business is Essential," by R. M. Rutherford. This article is probably the best that has ever been written on the necessity for the industrial loan business and should be used elsewhere where the business is not fully understood nor appreciated. It might be added that this copy was also reprinted in Logansport, Connersville and Evansville papers at the time the National Secretary was advised by R. F. Hartz, Chairman of Publicity.

ILLINOIS.

On April 25, the Illinois Association will hold their next regular quarterly meeting, at which time they hope to have present, some official representing the State Department which is charged with the administration of the small loan law enacted in Illinois in 1917. It is also hoped to have some prominent person to read a paper on "The Ethics of Modern Licensed Lenders."

The Department of Trade and Commerce, of which William H. Boys, Springfield, Ill., is the Director, has issued an Annual Report in which reference is made to the administration of the small loan act of Illinois. Persons interested should write for a copy of this report.

MARYLAND.

At a meeting of the Maryland Association held during the month, Mr. Griffen, assistant to the Banking Commissioner, J. Dukes Downes, was present and addressed the members on the subject of "Cooperation between the Licensed Lenders and the Banking Department" Mr. Griffen complimented the members on their strict observance of the law and the accuracy with which interest was being figured and collected, stating that his inspection of the licensees had not disclosed any violations of the law in any particular.

W. B. Pentz was elected permanent Secretary of the Maryland Association to succeed J. J. Wood who resigned.

The resignation of the Beneficial Loan Society in Baltimore was accepted.

MICHIGAN.

A hearing before the Committee of the Legislature to which the Uniform Small Loan Bill was referred, was held in Lansing, March 5. The result of the hearing, which was attended by many prominent persons interested in small loan legislation including a representative of the Division of Remedial Loans, Russell Sage Foundation, New York, was that the Bill was favorably reported for enactment to the House. The Bill is the result of some ten years study and investigation and provides supervision by the State Banking Department, a license and bond, 3½ per cent. per month flat rate of interest and penalties for violations. At the time this is written, the bill was making progress through the Legislature.

VIRGINIA.

Mr. J. E. Tyler, Jr., of the First National Bank of Richmond, Virginia, and Treasurer of the Legal Aid Society, in an address published in "The Richchap Organ of the Richmond Chapter, American Institute of Banking", January, 1919, said in part:

"The making of small loans which supplies the legitimate public need is an essential and lawful business, and is, therefore, to be encouraged and brought out in the open. It should not be so restricted as to drive legitimate capital and lawful lenders out of business and thereby compel wage-earners who require loan accomodations to obtain same under cover, making the loan shark free from competition and able to extort oppressive charges. Necessity cannot bargain to advantage with cupidity.

"Wage-earners ask a chance to borrow and pay, they do not ask charity.

"State after State is enacting legislation which is effectively eliminating the loan shark evil and supplying a fair and lawful small loan service for those who are least able to bear the burden, at an aggregate saving to the public of millions of dollars annually."

PENNSYLVANIA.

A hearing will be held in Harrisburg before the House Banks and Banking Committee, on the Industrial bank bill and the amendment proposed by the State Banking Department, changing the rate in the existing Cox law which regulates the business of making small loans of $300 or less, which if enacted would eliminate the fees and allow licensed lenders to charge a flat rate of interest of 3½ per cent. per month.

COLORADO.

The Uniform Small Loan Law was introduced in the Colorado Legislature. Both branches disagree on the rate that should be permitted on loans of $300, or less with or without security. The Bill was advocated by the Division of Remedial Loans, Russell Sage Foundation, which maintained that the 3½ per cent. rate was both equitable and necessary and fair to both borrower and lender. When last heard from, the Legislature was still wrangling about the rate. This organization is compiling information and correspondence that will assist any Legislature in the future in properly disposing of small loan legislation.

INDUSTRIAL LENDERS NEWS

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Correspondence and items intended for publication should be addressed to Geo. W. Kehr, 204 Chestnut St., Harrisburg, Pa.

Communications cordially invited.

AMERICAN INDUSTRIAL LICENSED LENDERS' ASSOCIATION.

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Treasurer, J. H. Aufderheide, 860 Lemcke Annex, Indianapolis.
Secretary, G. W. Kehr, 204 Chestnut St., Harrisburg.

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N. Y.—E. P. East, 175 Fifth Ave., New York.
Ohio.—J. Fred Anderson, 401 Bushnell Bldg., Springfield.
Pa.—C. H. Watts, 1011 Chestnut St., Philadelphia.
R. I.—J. H. Wickstrom, 87 Weybosset St., Providence.
Va.—A. B. McMurtrie, 417 E. Broad St., Richmond.

DECLARATION OF PRINCIPLES.

As revised by the Executive Council, January 21, 1918.

1. We will do what we can to dignify, uplift and standardize the small loan business in every quarter of the United States.

2. We will favor state legislation, uniform in character, providing licenses and supervision by a state official, with bond to the state, and providing legal rates and terms fair to both lender and borrower.

3. We will assist by publicity in educating the public to the service rendered by industrial lenders in this necessary business.

4. We will obey the small loan laws ourselves, and police the business.

5. We will regulate our public advertisements and circulars, so that they shall be dignified, truthful and straightforward.

6. We will keep our books and accounts in plain and understandable form, satisfactory to the licensing official and never refuse a borrower a statement of his account.

7. We will make an earnest effort to maintain good relations with all state officials and their examiners, and will always deal with them frankly in a spirit of coöperation, and in recognition of their duty to the public as well as to licensees.

8. We will not do anything to bring the business of the American Industrial Licensed Lenders Association, or our State Associations, into disrepute, or question as to our fair and lawful methods.

9. We will coöperate with all members of the American Industrial Licensed Lenders Association and our affiliated State Associations, in respect to accurate credit information and other advice and assist them in the collection of accounts, dealing with them in a spirit of fraternity and helpfulness.

10. We will do what we can to discourage the practice of making the same borrower or borrowers more than one loan on the same security at the same time.

NOTICE.

Members are requested to frame and display their certificate of membership in the customer's lobby.

CONNECTICUT.

The Uniform Small Loan Bill has been introduced in this state and was explained to the Banking Committee of the Legislature by Walter S. Heilborn, acting Director of the Division of Remedial Loans, Russell Sage Foundation. The Banking Committee has directed an inquiry to a number of people whose opinion it believes will assist it in the proper disposition of the bill before it. The questions incorporated in the inquiry read as follows:

"Do you approve and endorse the Uniform Small Loan Law of 3½ per cent. on small loans?"

"Do you believe such a law is essential? If so, why?

Has the Uniform law worked satisfactorily in your state and eliminated the loan shark?

How can you justify the rate of 3½ per cent?

"Do the lenders help police the business?"

OLD FASHION HONESTY.

There was an old-fashioned honesty that our fathers and grandfathers praticed that was most admirable, and it is to be greatly regretted that it has been relegated to the world's rubbish heap along with many other grand and noble things that were priceless in their value. Our ancestors put honesty above everything, and their word was truly as good as their bond. They would get up in the middle of the night to repay a penny that they had gotten unintentionally from a neighbor, or else toss on their beds until daylight and go before breakfast to return it to its rightful owner. They measured a man by his integrity, and if he fell the least short, he lacked just that much of being a man.

How different to-day! We now measure a man by the number of dollars he possesses, irrespective of how he obtained them. We do not stop to inquire if he earned the money in the sweat of his face or stole it from widows or orphans. The rule that is now almost universally followed is to get money honestly if you can, but to get money, which is tantamount to saying that if you cannot get it honestly, to steal it. The average man's integrity is a very questionable article in these latter days, and the more we delve into the mystery of how some people own automobiles, dress fine, live high, and have plenty of money, the wiser we become touching their honesty.

There are some strictly honest people yet, and they are the salt of the earth. The whole fabric of business and society is held together by them. They carry on their shoulders the burden of their fellow-men's unscrupulousness and manage in some way to keep wagging with the heavy load. Their backs are bent under the great weight that besets them and their progress is slow along life's rugged highway, but they keep trudging on and upward toward the summit of the delectable mountain top where they will rest from their labors.

This country must have a revival of the old-fashioned honesty, or we go to inevitable destruction. We cannot continue the head-long gait to dishonesty that we are going, if we hope to avert the crash that will result from our following such a course to its end. We must face about, retrace our steps, and get back on the solid rock of integrity. We must make our standard of honesty as absolute as did our forefathers and ostracize every man who deviates from it.—*The Fool Killer, Feb. 1919.*

UNITED STATES CHAMBER OF COMMERCE MEETING.

The Seventh Annual meeting of the United States Chamber of Commerce will take place in St. Louis, Mo., April 29, 30, May 1. The delegates of the American Industrial Licensed Lenders Association, which is affiliated with this national organization of business men, will be D. L. Cleveland and J. F. Hankinson of St. Louis.

COMMUNICATIONS.

STATE LOAN COMPANY,
Joliet, Illinois.
March 5, 1919.

Dear Mr. Kehr:—

I take pleasure in enclosing check in payment for the 1918 year-book you so kindly sent me and want to say that this little book should be worth several hundred dollars to anyone engaged in the small loan business. The directory feature alone has saved us many times its cost in enabling us to locate and collect on "skips" through the courtesy and assistance of members throughout the United States.

Several years ago I started to compile a book containing the names of different loan companies for the use of our firm but it is impossible in this way to secure a complete list, revised each year, such as furnished in the year book.

In this connection I will relate a little incident and an idea which occured to me as a result, which I believe could be placed in operation at a minimum of trouble and expense and effect a saving of several thousand dollars annually to our members due to losses through "skips."

A customer moved from a small town nearby to Chicago. The best information that we could get was that he was located on Union Ave., but a registered letter so addressed was returned unclaimed. I wrote one of my friends in Chicago but he was unable to locate the party. My idea would be to have a small uniform "skip" blank printed and

a pad furnished to each member of our Association. With this system in vogue, when my Mr. ——— moved to Chicago I would have filled out one of these blanks giving the details and sent it to Mr. Baker who would in turn have his stenographer make several carbon copies of the blank and furnish one to each office in Chicago.

These blanks could be made size 3x5 the size of any ordinary index card and filed in a small "tickler". Then each office would be on the look-out for Mr. ——— so that when he applies for a loan in Chicago, (as he undoubtedly will) they would not only be able to advise us of his address and place of employment but would also guard against a possible "charge-off" themselves. It would seem to me that this would be real "co-operation". I would appreciate an expression from you or any of our members as to whether this suggestion has any value.

JOHN H. GRAY. *Mgr.*

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34 Montague St., Glasgow, W.
February 18, 1919.

Dear Mr. Kehr:

Following upon the recommendation which Dr. C. G. Mueller made to a friend of mine, I should be much obliged if you would forward me the American Association Year Book for 1917 (or 1918 if it is ready), and if you would put me down as a subscriber for the Loan Gazette for 12 months. And I enclose herewith a money-order for Ten shillings, being approximately the equivalent of two dollars, in payment of the above.

It would also oblige me greatly if you could at the same time send me a sample copy or two of each of your uniform Notes, Application Forms, Chattel Mortgage Forms, Salary Assignment Forms, etc., as I am preparing a paper on the subject of "American Money-lending," which I am shortly to deliver before the Scottish Money-lenders Protection Association, of which I am a member.

If it were not asking too much of you, I would say that a copy of the Loan Brokers Association's Rules and Constitution giving details of eligibility of membership, subscription, etc., would be very helpful.

I need hardly add that I shall be very pleased to remit whatever outlay is involved.

Thanking you in anticipation, and wishing your Association every success,

I remain, yours faithfully,
ERNEST GREENHILL.

P. S. If you have no uniform forms, any of the forms in every day use would do. E. G.

OHIO.

The Executive Committee of the Ohio Loan Association has accepted the resignations of the Beneficial Loan societies of Cincinnati, Columbus and Cleveland, and has notified the Department of Securities which supervises the small loan business in this state.

The pawnbroking act has not yet appeared in the Legislature. It is reported that the Civic Societies in Cincinnati have reached a disagreement with the pawnbrokers and it is predicted that there will be no small loan or pawnbroking legislation in Ohio this year.

RHODE ISLAND.

The regular meeting of the above Rhode Island Association was held Thursday, February 20th, at 268 Westminster St., Room 6, Providence, R. I., at 7:30 P.M.

The meeting was called to order by the Chairman, W. G. Wood. The following were present:

C. H. Watts, of Philadelphia; G. W. Delaney, of Providence; H. T. Chase, representing Peoples Loan Co., Providence; J. H. Wickstorm, representing Fidelity Loan Guarantee Co., Providence; W. G. Wood, representing to associate them with us even in their mind, let alone their newspaper. There are five companies in Providence advertising in a conspicuous manner, and if this manner of advertising is not stopped it will mean that we will probably get linked with them when the government propaganda gets going against this sort of business.

On motion of Mr. Lovegrove, seconded by Mr. Watts, the members present agreed to close their offices during july and August on Wednesday at 1 p. m. The department stores in Providence and Pawtucket close on each Wednesday during these two months, and members were unanimous in declaring that we should also take advantage of the half holiday. The secretary is to inform all members of the half holiday on Wednesday during July and August.

On motion of Mr. Lovegrove, supported by Mr. Chase, it was agreed to hold the annual meeting in April at a local hotel to be preceeded by a banquet, and dancing, if possible.

The Chairman appointed a committee of Mr. Chase and Mr. Wickstorm to make all necessary arrangements for the banquet. Mr. Watts has given his assurance that he will be present and will use his influence to have a few men out of the state attend the banquet. Household Loan Co., Providence; F. H. Lovegrove, representing Household Loan Co., Pawtucket; H. B. Bumsted, representing Blackstone Loan Co., Pawtucket, and J. C. Lewis, representing Pawtucket Loan Guaranty Co., Pawtucket.

On motion, properly seconded, Mr. Wood was paid $76.21 for his expenses on trip to Columbus, Ohio, at which place he attended the special meeting of the National Executive Council.

On motion of Mr. Watts, seconded by Mr. Lovegrove, Mr. Chase and Mr. Bumsted were appointed to keep in touch with legislative matters and report at net meeting anything that might be of interest to us.

On motion, properly seconded, Mr. Wickstorm and Mr. Bumsted are to serve on Committee of two to take up with the Advertising Manager of the Evening Bulletin of Providence and the Evening Times of Pawtucket the question of separating the ads of the Loaners on Liberty Bonds and the ads being used by the members of the Association.

Mr. Watts in his talk informed the members that it will be only a question of time when the so-called Liberty Bond Loaners will be disapproved of by the government, and steps are being taken by large firms, who in cooperatioon with the government are warning their employees not to loan or sell their bonds owing to the many fraudulent schemes that have developed during the past six months. If the bond people figure that they can get us to assist them in keeping their reputation spotless by placing their ads in with ours, they will do so, and Mr. Watts urgently requested that at no time should we permit the Bulletin

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DUES AND YEAR BOOK.

All members who have not yet paid their dues which were payable February 1st, or who have not yet paid for Year Books which were sent to them, are requested and urged to do so without further delay. Compliance with this request will save much valuable time of the Secretary in unnecessary correspondence. Moreover, if the Association's work is to be continued, the money must be supplied with which to pay the necessary and legitimate expenses.

MASSACHUSETTS.

According to advice received from the Supervision of Loan Agencies at the time this is written, there is no legislation pending before the Massachusetts Legislature affecting the Morris Plan companies nor is there any legislation pending concerning licensed money lenders, so far as rates are concerned. There is a bill providing that movers of furniture shall keep a record thereof, which is of interest to those doing a chattel mortgage business.

Here is a sample of the bills pending in regard to furniture removals:

An Act to Require Movers of Household Furniture to Furnish Information Regarding Removals.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Every person, firm or corporation engaged in the business of moving or transferring household furniture (excepting railroad and express companies) who shall remove the furniture or effects of any person changing his residence, shall, within seven days after the removal, make a report thereof to the clerk of the city or town from which such goods are removed. The report shall be made on blanks furnished by the clerk and shall set forth the name of the owner or person having possession or custody of the articles, the addresses from and to which the said moving was done; the date thereof; the general character of the goods, whether household furniture or otherwise; and the names of the owner and the person in charge of the vehicle employed.

SECTION 2. It shall be the duty of city or town clerks to furnish the blanks required by section one of this act, and to keep and file the reports required by this act for the inspection of the public, indexed under the name of the owner or person in custody of the articles removed.

SECTION 3. It shall be unlawful for any person, firm or corporation to give a fictitious name, or to deceive the owner or operator of any vehicle employed in such removal of household goods, effects and furniture with respect to the information required by section one of this act.

SECTION 4. Any person, firm or corporation violating any provision of this act shall be fined not less than five dollars nor more than fifty dollars for each offence.

AMERICAN BAR ASSOCIATION CONFERENCE OF DELEGATES OF STATE AND LOCAL BAR ASSOCIATIONS.

Bulletin No. 1 of Meeting at Saratoga Springs, New York, September 5, 1917.

Among the proceedings reported (pp. 17-18) Richard W. Hale of Massachusetts:

Take the matter of loan sharks. You have them in every large city. I do not believe we are ever going to abolish them. The thrifty are going to have one place to borrow money, and the other class of people are going to find another place. But we can look out to some extent for the unthrifty. The legal aid society in Boston put together all the different loan shark cases. If some crank or specialist should collect the loan shark experiences of his city he may be treated as an iconoclast, but if the legal aid societies come in with their recommendation to the legislature, it is listened to attentively, because they are reporting their experience, and they are suggesting something which deserves attention. We have succeeded to some extent, in Boston, in making the loan shark do his business right, and it can be done elsewhere. We have preventitive laws that we should be able to direct against the loan sharks. It seems to me, gentlemen, that this is a branch of legal aid work which must greatly deserve your attention.

Endorsement of Uniform Small Loan Law.

The Remedial Bulletin (June 5, 1917), the official bulletin of the Legislative Voters' League of Illinois said of the 50th Assembly:

No general assembly in recent years has made so good a record for restrictive legislation. For legislation of a social character the loan shark bill leads all others.

The bulletin of the Legal Aid Society of Chicago No. 3 (1917-1918) published an article on "Anti-Loan Shark Decision" by Daniel P. Trude, Esq., of the Chicago Bar expressing gratification at the decision of the Supreme Court of Illinois in the case of People v. Stokes, reported in 281 III. 159. After quoting extensively from the decision the bulletin makes extended remarks upon the subject felicitates the Legal Aid Society upon the active part which it took in securing enactment of the uniform small loan law.

The article states:

The loan shark bill was defeated on third reading, lacking two of the necessary 77 votes, because of the absence from the Hall of some of its friends, when it was called up for a vote on May 3d, and a reconsideration was moved by Representative Hicks, and the bill received more than enough votes because of the campaign started throughout Illinois by Judge Kenesaw M. Landis, the newspapers, the Rotary, the Executives, and the Kiwanis Clubs. Too much credit cannot be given to Judge Landis, to Governor Lowden, and Speaker Shanahan for the passage of this and the bill to place private banks under state supervision.

The rate of 3½ per cent. per month may seem high only to those not familliar with the hazards of the business; but it must be borne in mind that the only security the broker has for the money loaned is a chattel mortgage or an assignment of the wages of the borrower which, under this act, is only 50 per cent. of his wages, and that because of the decision of the Supreme Court in the case of Stromberg Allen v. Hill, 170 Ill. App. 323, and in Richards v. Inter Ocean, 181 Ill. App. 514, this assignment is void if the borrower changes his employment after making it. It must also be borne in mind that the minimum that the broker charged prior to July 1, 1917, was between 10 per cent. and 100 per cent. per month. Should investigation of the records of the Department of Trade and Commerce disclose the fact that 3½ per cent, per month is too high, allowing a reasonable profit on the amount invested, the rate coulld be changed at a subsequent session of the Legislature.

A pamphlet containing the 32d Annual Report of the Legal Aid Society of Chicago for the year 1917 (pp. 19-20) contains the following additional reference to the enactment of the uniform small loan law in Illinois which has just been brought to our attention:

Efforts of the Legal Aid Society, in conjunction with the Department of Public Welfare, City of Chicago, the First State Industrial Wage Loan Society, and the Industrial Club and the Illinois Committee on Social Legislation, have at last been successful in regulating the Loan Sharks. The history of the Legal Aid Society could not be writen without a chapter each year of the fight against the evil.

The last work which our Mr. Matz did for the Society was as chairman of the sub-committee to draft the bill to comply with the Arthur H. Ham Model Bill and the Illinois laws.

The three members of the sub-committee were members of our Board of Directors, the other two being Daniel P. Trude and John Nash Ott, and another director, Henry W. Austin, introduced the bill in the legislature.

Your attorney and superintendent were members of the Remedial Loan Legislative Committee, of which Mrs. Louise Osbourne Rowe was chairman.

The law was immediately attacked and taken to the Supreme Court, but has been declared constitutional.

It is so framed that the business is now legitimate and can create competition as in any other line.

Mr. Robert McCurdy was chairman of the Legislative Committee. There were many conferences and great numbers of letters were sent out in the campaign, and the Illinois Committee on Social Legislation kept a steady watch and did splendid work.

THE DEAD-BEAT.

The dead-beat is ever present with us. We can no more dodge him than we can evade taxes or death. There are various kinds and classes of dead-beats, but they all operate toward the same end—getting what you have for nothing. Some are in rags, but the majority wear good clothes that they beat somebody out of. They occupy every station in life. Not a few of them are rich, and they got what they possess by dead-beating the public. Many of the high-flyers we see spinning around in high-power automobiles are dead-beats of the first water. High society that flaunts its impudence are arrogance in the faces of honest people is one conglomeration of dead-beats, and, sad to say, some of the preachers in the pulpits, and some of the deacons and bell-wether members, of our leading churches, are the biggest dead-beats in the entire catalogue.

A dead-beat operates in divers ways. He gets into your good graces, hits you for credit or a loan, and after you have favored him, and what he owes you falls due, refuses to pay you, giving this and that lying excuse for his delinquency. Or he buys of you or borrows your money, and pays you promptly for several times that you so favor him, until he gets your confidence, and then makes his intended haul upon you. The shrewder you think you are in your ability to outwit the dead-beat, the easier mark you seem to be for him. He is a pay-master in judging human nature, and thus knows his best victims. He seldom ever makes a mistake in selecting subjects upon whom to operate, and success, nine times out of ten, crowns his efforts.

The commercial world is strewn with wrecks of business establishments that have gone to the wall because of the prevalence of dead-beats. Fortunes, honestly acquired, are filched from their possessors by these sharps who beat their way from the cradle to the grave. Homes, paid for by the sweat of honest toil, are stolen from their owners by this same class of thieves and robbers who take what you have while you are looking at them. Lives that would have been contented and happy have been made wretched by the operations of these crooks who have triumphed in their machinations against the credulity of their fellow-men.

The dead-beat will be with us to the end of time and we shall have to endure him. But it is some satisfaction to believe that, if there is a literal burning hell where the damned lie roasting, a hot gridiron is waiting for the infamous swindler who goes through this life, beating other people out of everything he can, from what he eats and wears to houses, lands and larger possessions.—*The Fool Killer, Feb., 1919.*

GARNISHEE SYSTEM IS UPHELD BY COURT.

Supreme Body Decrees Jersey Law Valid Under Federal Railroad Control.

Federal control of railroads does not interfere with operation of the New Jersey garnishee law when wages due railroad empleyees are involved. This was held by the Supreme Court in an appeal of the Pennsylvania Railroad Company from a garnishee judgment obtained by Herman Levine in the City District Court against Edward Stinson an employee of the Pennsylvania Company.

It was argued for the company that the Federal control law prevented garnishee of wages of railroaders. It was argued for Levine that when Stinson earned his wages, the money due him was his property and not the property of the railroad company.—*Merchants' Legislative League Advocate, Feb. 28, 1919.*

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INDUSTRIAL LENDERS NEWS

Official Organ American Industrial Licensed Lenders Association Which Is a Member of the Chamber of Commerce of the U. S. A.

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UTAH.

Under date of April 9, A. C. Whittaker, Secretary of the Provident Loan Society, Salt Lake City, addressed the National Secretary as follows, concerning legislation in Utah this year.

"No new legislation was enacted in Utah respecting the small loan business.

Under the provisions of the Morris bill which passed both houses of the Legislature, but was vetoed by Governor Bamberger, the pawnbrokers were placed under the provisions of Utah's 1917 Small Loan Act, which permits a charge, under certain conditions and supervision by the Bank Commissioner, of 3 per cent. per month, or any fraction of a month at the same rate. The Morris bill also allowed pawnbrokers to make a minimum charge of $1.00 for the first month only on any loan. It further provided that on payment of a fee of 25 cents by the pledgor, the security held for any pledge loan may be inspected.

Several conferences were held in the Governor's office regarding the bill, which was well supported by the Attorney General's Office and the State Banking Department. The opposition solicited the aid of various peace officers and other interests with the result that enough pressure was brought to bear on the Governor to induce him to veto the bill.

"Our experience with law makers has been very similar to that of Mr. Rutherford, as reported in the June 1918 Loan Gazette, the forces opposed to any regulative laws for the small loan business contending that this society was the only loan company in the state that could survive the passage of such laws, and that we were advocating same in order to grab the entire business.

"We want to thank you as well as Colonel Hodson for the valuable assistance given us in this matter."

In connection with the Utah legislation, we reprint the following from the Salt Lake City papers:

Would Encourage "Scalpers."

Another bill by Representative F. E. Morris, house bill No. 144, revising the laws relating to pawnbrokers, secondhand dealers and those making small loans, was also killed. The veto message states:

"My chief objection to the bill, based upon information supplied by the peace authorities of Salt Lake City and county and Ogden, is that it would encourage and make possible the operation of 'scalpers' on an extensive scale, practically without any regulation whatever. Representations from like sources also indicate that the enforcement of the provisions of the bill would practically eliminate the licensed and bonded pawnbroker from the small loan field and result in the establishment of secondhand stores, which would in a sense be little more than fences and not subject to police regulation.

"In so far as placing the pawnbrokers under the supervision of the state banking department, I am strongly in favor of that provision of the bill, but I believe some other stipulations in the measure might open the door to evils of a much more serious character than the supervisory power embraced in the bill would offset."

New Pawnbrokers' Act is Discussed.

Chief of Police J. Parley White, Sheriff John S. Corless and representatives of local pawnbrokers held a conference Tuesday night in Governor Bamberger's office regarding house bill No. 144 which is an act amending certain sections of the compiled laws of Utah relating to pawnbrokers and similar businesses. Local pawnbrokers, through their attorneys, have asserted that if the act is signed by the governor it will put them out of business. The peace authorities were called upon to testify that pawn shops were useful in the capture of thieves and pick-pockets as they reported all jewelry they received to the police.

The Provident Loan Society, through its representative, claimed that the act would not injure the loan men and asserted that only the amateur thief would place jewelry in "hock" shops knowing that all articles must be reported to the police. The bill has passed hoth houses and now awaits the governor's signature.

In a letter addressed to the Governor the Provident Loan Society says: "It is a known fact that with the exception of this society there is not a licensed pawnbroker in the State who pretends or operates his business from the income derived solely from the charges on his loans. Without exception they are engaged in other lines of merchandising. Official examination of books of licensees are authorized by law in twenty other states."

CREDIT INSURANCE.

Members and others interested in the subject of small loan legislation will be interested to know the viewpoint of one of the largest credit insurance companies in the world, with respect to their losses, in reply to an inquiry made to the American Credit Indemnity Company of New York. The Second Vice-President, Edward Brown, replied that they would not be able to issue a bond to cover the losses incurred by industrial lenders, saying that their business is limited to insurance of merchants against excessive losses on their annual sales against firms ,individuals and corporations engaged in mercantile pursuits by reason of solvency of debtors. This indicates that the institution did not care to insure anyone who is engaged in the hazardous occupation of making small loans on chattels, pledges, assignment of wages and unsecured notes. It also proves that an institution which makes a business of credit insurance has studied the small loan question and feels that the loss would be too great to justify it in writing this class of business. Legislators forget that industrial lenders have only their own money to loan, no insurance against loss, no deposit of other people's money to lend as in the case of banks, when they are considering laws to regulate the industrial loan business.

LENDING ON LIBERTY BONDS.

A committee of the American Bankers' Association has started a Nation-wide campaign to induce all savings banks in the country to loan money on Liberty Bonds. This is necessary because so many holders of these securities have been swindled by sharpers or have sold out when they needed money in a pinch. It is well known that practically all of the adults in this country are or have been holders of Liberty Bonds, although most have had small investments. The sharper has been on the trail of those who bought through patriotic fervor and heavy losses have accrued.

The frank object of the new plan is to make it unnecessary for poor people to go to the loan sharks. To a considerable extent it wishes to eliminate the pawn-brokers, although the latter are admitted to be an essential and desirable factor in the community. But the savings banks will loan money on Liberty Bonds as collateral at much less than the pawnbroker can afford, and this is expected to produce thrift.

It may be admitted that some millions of people invested in Liberty Bonds from purely patriotic motives; that they are by nature devoid of thrift, and that the slight lesson of the war will not give them the proper attitude toward life in the future. These are the victims of the sharper. The new movement of the banks is to help those who really are in need and who have these bonds which can be offered as collateral. Those who want to save money must be careful how they let go of their accumulations.—*Phila. Inquirer, Feb. 7, 1919.*

THE NEXT CONVENTION.

The Annual Convention of the Association will be held at Atlantic City, N. J., September 4, 5, and 6. Other details, including headquarters and program, will be announced in subsequent issues of the INDUSTRIAL LENDERS NEWS.

INDUSTRIAL LENDERS NEWS

Established 1916.

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Correspondence and items intended for publication should be addressed to Geo. W. Kehr, 204 Chestnut St., Harrisburg, Pa.

Communications cordially invited.

AMERICAN INDUSTRIAL LICENSED LENDERS' ASSOCIATION.

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Treasurer, J. H. Aufderheide, 860 Lemcke Annex, Indianapolis.
Secretary, G. W. Kehr, 204 Chestnut St., Harrisburg.

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Ohio.—J. H. Dyer, Esq., 404 Bank of Commerce Bldg., Columbus.
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Chairman, Auditing, E. P. East, 175 Fifth Ave., New York.
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The Executive Council is composed of the National Officers, Vice-Chairmen, and Committee Chairmen.

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Ind.—R. C. Aufderheide, 860 Lemcke Annex, Indianapolis.
Iowa.—D. Esmond, 312 Century Bldg., Des Moines.
Md.—W. P. Pentz, 111 N. Charles St., Baltimore.
Mich.—H. D. Firth, 407 5th Natl. Bk. Bldg., Grand Rapids.
N. J.—P. L. Alberse, 411 Romaine Bldg., Paterson.
Ohio.—J. Fred Anderson, 401 Bushnell Bldg., Springfield.
Pa.—C. H. Watts, 1011 Chestnut St., Philadelphia.
R. I.—J. H. Wickstrom, 87 Weybosset St., Providence.
Va.—A. B. McMurtrie, 417 E. Broad St., Richmond.

DECLARATION OF PRINCIPLES.

As revised by the Executive Council, January 21, 1918.

1. We will do what we can to dignify, uplift and standardize the small loan business in every quarter of the United States.
2. We will favor state legislation, uniform in character, providing licenses and supervision by a state official, with bond to the state, and providing legal rates and terms fair to both lender and borrower.
3. We will assist by publicity in educating the public to the service rendered by industrial lenders in this necessary business.
4. We will obey the small loan laws ourselves, and police the business.
5. We will regulate our public advertisements and circulars, so that they shall be dignified, truthful and straightforward.
6. We will keep our books and accounts in plain and understandable form, satisfactory to the licensing official and never refuse a borrower a statement of his account.
7. We will make an earnest effort to maintain good relations with all state officials and their examiners, and will always deal with them frankly in a spirit of coöperation, and in recognition of their duty to the public as well as to licensees.
8. We will not do anything to bring the business of the American Industrial Licensed Lenders Association, or our State Associations, into disrepute, or question as to our fair and lawful methods.
9. We will coöperate with all members of the American Industrial Licensed Lenders Association and our affiliated State Associations, in respect to accurate credit information and other advice and assist them in the collection of accounts, dealing with them in a spirit of fraternity and helpfulness.
10. We will do what we can to discourage the practice of making the same borrower or borrowers more than one loan on the same security at the same time.

NOTICE.

Members are requested to frame and display their certificate of membership in the customer's lobby.

ILLINOIS.

For the interest of our members and others interested in the proper solution of the loan shark evil in states where adequate legislation has not yet been enacted, we reprint in full, the First Annual Report of the Department of Trade and Commerce, Division of Small Loans, of which William H. Boys is the Director and James S. Baldwin the Assistant Director. Either or both of these men may be addressed at Springfield, Ill., by any who desire additional information with respect to the operation of the small loan law in the State of Illinois.

The General Assembly of 1917 enacted a law known as the "Small Loan Act of 1917," and charged this department with its enforcement.

This act makes it unlawful to loan money in the amount of $300 or less at a greater rate of interest than seven per cent. without obtaining a license from this department. Each proposed licensee must make application in writing, giving his full name and address and place where the proposed business is to be conducted. With the application he must file a bond in the sum of $1,000 and pay an annual license fee of $50. Upon payment of the fee and the approval of the bond, a license is issued, which license expires on the first day of January next following. Every such licensee may loan money in an amount not exceeding $300 at a rate of interest not exceeding three and one-half per cent. per month. The licensee is not allowed to charge, directly or indirectly, any fee for examination, service, brokerage or commission. At the time a loan is made, the licensee much deliver to the borrower a statement, in the English language, showing the amount and date of the loan, date of maturity, nature of security, and the rate of interest charged. This statement must also contain the name and address of the borrower and of the licensee and it must have printed thereon, in the English language section 2 of the law. The note taken by the lender must state the actual amount loaned and the time for which the loan is made. All assignments of wages or salaries, made to secure the repayment of any loan under this act, must be in writing and must not exceed fifty per cent. of the wages or salaries so assigned.

The act further provides that the licensee shall keep such books and records as in the opinion of the department will enable it to determine whether the provisions of the act are being observed.

Under the authority of this last provision under date of October 1, 1917, the Director promulgated a set of minimum requirements of licensees. These requirements were prepared for the purpose of standardizing licensees' records, to the end that an examination of the affairs of each licensee would eventuate in comparable results. It was not the purpose, in the promulgation of these minimum requirements, to demand that a particular set of books should be kept by each licensee, but rather that certain minimum requirements should be observed in the system employed in each office.

Shortly thereafter the position of Examiner of Small Loan Agencies was created. It was the duty of the Examiner to personally visit the offices of the licensees and examine their books and records for the purpose of ascertaining whether or not the provisions of this law were being observed. Individual reports of each examination were made by the Examiner and forwarded to the Director. A study of these reports and of the law indicated that the minimum requirements as set forth in the order of October 1, 1917, were not sufficiently ample. Consequently the minimum requirements were amended, and, under date of April 1, 1918, an eight-page circular of amended minimum requirements was prepared and forwarded by mail to each licensee.

In the early days of the administration of this law its constitutionality was attacked in two cases and the law was sustained in the lower courts. An appeal was had in both cases to the Supreme Court of the State. The Supreme Court, in an elaborate and exhaustive opinion in each case, practically passed upon every phase of the law. The action of the lower court in finding defendant guilty of a violation of the law was upheld. These two cases are as follows: People of the State of Illinois v. F. B. Stokes, 281 Ill. 159, and Harbison et al. v. Stamer, 281 Ill. 450.

This law became effective July 1, 1917. The law provides that all licenses shall expire on the first day of January after issuance. During the first six months there were issued by the department 156 licenses, for which there was paid by the licensees the aggregate sum of $5,700. Seventy-three of these were issued to licensees in Chicago and 83 to licensees downstate. From January 1, 1918, to July 1, 1918, there were issued 156 licenses—69 to licensees engaged in business in Chicago and 87 to licensees downstate. The licenses issued in this latter period yielded to the State the sum of $7,800.

The small loan act of Illinois is copied almost entirely from what is known as the "Uniform Small Loan Law," which was prepared largely by Mr. A. H. Ham, Director of the Division of Remedial Loans of the Russell Sage Foundation, after consultation with members of the the National Federation of Remedial Loan Associations and representatives of legal aid societies, public welfare

commissions, charitable aid societies, and others.

Many states have adopted practically this same law. In Illinois, previous to the enactment of this law, public opinion was aroused against the "loan shark evil." The reputable small loan brokers, in defense of their business, actively co-operated in the enactment of the law regulating their affairs. The proposed law in this State, while before the Legislature, received the active support of the Chicago Association of Commerce, the Department of Public Welfare of the City of Chicago, the Commercial Club of Chicago, the Industrial Club of Chicago, the Committee on Local and State Charities of the City Club of Chicago, the Russell Sage Foundation, United Charities of Chicago, First State Industrial Wage Loan Society, and the Illinois Committee on Social Legislation. The bill was endorsed by the Illinois Committee on Social Legislation, representing the following organizations:

Associated Charities of Knox County, Galesburg.
Associated Charities of Danville, Danville.
Associated Charities and Philanthropies, Peoria.
Associated Charities, Springfield.
Associated Charities, Joliet.
Associated Jewish Charities, Chicago.
Bureau of Associated Civics and Charities, Freeport.
Bureau of Personal Service, Chicago.
Central Association of Evanston Charities, Evanston.
Central Howard Associations, Chicago.
Chicago Federation of Churches, Chicago.
Chicago Medical Society, Chicago.
Chicago School of Civics and Philanthropy, Chicago.
Chicago Tuberculosis Institute, Chicago.
Chicago Woman's Aid, Chicago.
Chicago Woman's Club, Chicago.
City Club of Chicago, Chicago.
Civic Federation of Chicago, Chicago.
Conference of Jewish Women's Organization, Chicago.
Elizabeth McCormick Memorial Fund, Chicago.
Federation of Settlements, Chicago.
Illinois Association for Labor Legislation, Chicago.
Illinois Children's Home and Aid Society, Chicago.
Illinois State Association for the Prevention of Blindness, Chicago.
Illinois State Association of Graduate Nurses, Chicago.
Illinois Tuberculosis Association, Chicago
Immigrants' Protective League, Chicago.
Infant Welfare Society, Chicago.
Jewish Consumptive Relief Society, Chicago.
Juvenile Protective Association, Chicago.
Juvenile Protective Association, Aurora.
Legal Aid Society, Chicago.
Oak Park Associated Charities, Oak Park.
Peoria Association for the Prevention of Tuberculosis, Peoria.
Public Welfare Association, Rockford.
Rock Island Associated Charities, Rock Island.
Springfield Tuberculosis Association, Springfield.
United Charities Association of Champaign and Urbana, Champaign.
Visiting Nurses' Association, Chicago.
Woman's Church Federation, Chicago.
Woman's City Club, Chicago.
Woman's Trade Union League, Chicago.

Chief among the supporters of this bill was Hon. Kenesaw M. Landis, Judge of the United States Court for the Northern District of Illinois, who, on March 12, 1917, sent to Hon. Henry W. Austin, a member of the State Senate of this State, the following characteristic letter:

"CHICAGO, *March 12, 1917.*

"DEAR SENATOR AUSTIN: I have been asked to write to you about a bill to regulate loan agencies. Such judgment as I have on this general subject is the result of what I have learned about salary assignment loans during my service on the bench.

"The prevailing rates here are from twenty per cent. upwards per month. There have been instances where the rate was approximately nine hundred per cent. per annum. I do not recall any instance in recent years where the rate contracted for was as low as ten per cent. per month. There are no figures available, of course, but from my observation of the operations of persons engaged in this business I have not the slightest doubt many hundreds of thousands of dollars annually are taken from poor devils whose necessities have compelled them to submit to any sort of extortionate demand for the purpose of getting temporary relief. As a general rule, these necessities come from sickness or death in the family, or some series of bad luck or misfortune that leaves the victim no choice but to sign up, which means that he gives a note for a sum including principal and interest, signs an assignment of his salary to be earned during the succeeding five or ten years and a power of attorney to confess judgment, including attorney's fees, etc., etc. As a rule, employers do not like to be bothered with such affairs of their employees, and this gives the loan agent a club over the victim, who, being unable to pay the principal, continues to give up month after month, to prevent exposure to his employer.

"The bill which the House committee voted out, as I understand it, provides for a maximum rate of three and one-half per cent. a month on a maximum principal of $200.00 (as against the Senate bill of $300.00), and to avoid some question of constitutionality, a provision authorizing corporations to engage in the business was cut out of the bill. My own judgment is $200.00 is a large enough sum for three and one-half per cent. per month interest to be paid on, and it is my belief it is large enough to meet the necessities of this class of borrowers. Of course, this seems a tremendous rate of interest for money, but we are dealing with a very practical question. This class of borrowers cannot get money at the general interest rate of seven per cent. The great bulk of loans are small in amount and extend for a short period of time, in view of which it is my judgment that a three and one-half per cent. per month rate is a just rate. At all events, it certainly is better than twenty per cent. a month, which, unless you gentlemen do something, will continue to be exacted. A law, to be effective, must absolutely prohibit any other or additional charge beyond the statutory rate, and must provide for a prison penalty.

I do not want to appear to be interfering in legislative matters, but my observation of a great multitude of heart-breaks induces me to submit to you the above. Very truly yours,

"KENESAW M. LANDIS."

"P. S.—Since writing the above, the case of W. L. Wood has come to my attention, in which a suit brought by Robert L. Staehle (who resides at 5510 Hyde Park Blvd., Chicago), doing business under the name of the Selden Investment Company, 39 W. Adams Street, against Wood's employer, the Chicago, Burlington & Quincy R. R. Co., has been noticed for trial in the Municipal Court of Chicago to-morrow morning.

"Wood borrowed $36.00 from Staehle January 10, 1913, and paid him back $48.00 in three payments of $16.00 each, February 10, March 10, and April 10, on which last date Wood borrowed $15 paying 240 per cent. interest. The relationship of borrower and lender between Wood and Staehle continued uninterruptedly until September 14, 1914, when the last loan from Staehle was made by Wood, the amount being $15.00, $3.00 interest to be paid on October 16. The largest amount Wood had from Staehle on any one loan at any one time was $36.00. The aggregate of interest already paid by Wood to Staehle in addition to principal was $42.00, and Staehle's demand from Wood's employer, the Burlington Road, in the suit set for trial to-morrow morning, is $53.00. In other words, the borrower has already paid back all the principal, $42.00 interest ,and the lender still demands judgment for $53.00. "K. M. L."

The law, as passed, has been approved by two national bodies, to wit: the National Federation of Remedial Loan Associations and the American Industrial Licensed Lenders Association. Small loan laws in the various states have been enacted as follows:

1895—New York (frequently amended until 1914).
1905—Delaware and Tennessee.
1906—Virginia.
1908—Georgia.
1911—Massachusetts.
1912—Maryland, Rhode Island, and Ontario, Canada.
1913—District of Columbia, Wisconsin and Minnesota.
1914—New Jersey.
1915—Pennsylvania, Michigan, Nebraska, Oregon, Texas, and Ohio.
1916—Louisiana (salary loans only).
1917—Indiana, Maine, New Hampshire, Colorado, Utah, and Illinois.

The question has often been asked, "Is three and one-half per cent. too high for interest, expenses and losses?" Dr. E. E. Eubank, Professor of Sociology, Dean of the Y. M. C. A. College, Chicago, in a recent article, entitled "Loan Sharks and Loan Shark Legislation in Illinois," published in the *Journal of Criminal Law and Criminology*, in which he endorsed uniform small loan laws, stated:

"Of late years, as public opinion against the loan shark business has been growing, the movement against it has

gained strength. In a rough way we may classify opposition under the following heads:

"1. Publicity campaigns.

"2. Organized defense of loan shark victims.

"3. Loan shark substitutes.

"4. Legislation.

These cannot be marked off from one another sharply; they are interwoven. Legislation, organized defense and loan shark substitutes have come about after public opinion has been aroused by publicity campaigns. Likewise certain of the substitutes which now exist have required special legislation before they could be formed.

"To all persons or firms which are licensed under this act permission is given to charge interest not to exceed 3½ per cent. per month, or 42 per cent. per annum. It has been determined by careful studies that this is as low a rate as can be made, consistent with business security and a reasonable profit on the investment. Because of the heavier overhead expense involved in the individual transaction, and the greater risk, ordinary interest rates are impossible in the making of small loans. Admitting the desirability of providing for that part of the public to whom small loans are a necessity, it is considerably better to allow firms to organize under a law which will permit them a fair profit to take care of that necessity, than by drastic restrictions to make a legitimate business impossible.

"Under this act no charge is allowed, other than the stipulated interest, which is to be computed solely on unpaid balances. Many times the money lender extracts usury under other forms than those which are technically classifiable as interest. 'Renewal fees,' 'cost of extension,' 'appraisal charges,' 'expenses of investigation,' etc., are often nothing else than usury in disguise and therefore must be guarded against carefully."

Two organizations in this State are actively coöperating with the department in the administration of this law. One of these organizations is composed of lenders who have formed a State association known as the "Illinois Industrial Licensed Lenders Association," which association has assured this department that it intends to comply with the law and coöperate in the enforcement thereof. This association is affiliated with the American Industrial Licensed Lenders Association, which in turn is a member of the Chamber of Commerce of the U. S. A.

Another organization which is actively interested in the enforcement of the law in this State is the Industrial Club of Chicago. This club originated and put into effect what is known as the "First State Wage Loan Society," a number of the members of which are prominent business men of Chicago, and give a great deal of their time to this work without compensation. This club has a committee, of which Mr. Marvin B. Pool, of Butler Brothers, is chairman, and Mr. W. R. Abbott is secretary, which committee has followed this class of legislation with a great deal of interest for the past eight years, and has been closely associated with the bills passed by the Legislature tending to safeguard the borrower by proper State supervision of this business.

While not the law, it has been the practice of the department to give consecutive numbers to licenses beginning with Number 1, and to assign to each licensee the same number upon renewal of his license in subsequent years. The department found that it was customary for licensees to advertise their license numbers on their letterheads, circulars and newspaper advertisements. In the same way the United States Comptroller of the Currency insists that each national bank shall put its charter number on its letterheads.

In a recent annual report of the Superintendent of Banks, in Ohio, who has charge of the administration of a similar law in that State, he said:

"The operation of the restrictive provision of the law has resulted in putting out of business many money lenders who had lived by the unlawful profits of their investments. Men of high character and correct business methods, satisfied with the lawful returns upon their loans, have taken their place, so that we can now say with a good deal of assurance that there is not a licensee of this department who deserves to be called a loan shark.

"The new law has put dignity and confidence into the loan business heretofore unknown, so that loan transactions stand upon the same footing as other business transactions and neither borrower nor the lender has anything to cover up or be ashamed of."

While as yet in Illinois it is impossible to correctly state the definite results obtained from the administration of this law, it is believed that where the average rate charged previously was ten per cent., twenty per cent. or more, per month, loans are now made at the lawful rate of three and one-half per cent. per month, and no more.

Officials having charge of the administration of similar laws in other states have voiced the sentiment that in their respective states conditions have improved. They constantly refer to the increasing dignity of the business, whereby self-respecting men may obtain fair and lawful loans, the conduct of the business now in compliance with State law rather than in violation of it, and the justification of the law.

The department has addressed letters to all licensees, urging them to furnish the names of persons in their respective communities or elsewhere in the State who are loaning money contrary to the provisions of this act. A letter has also been addressed to the State's attorney of each county, calling attention to the law and asking him to coöperate with this department in its enforcement.

The department has frequently consulted the Attorney General with reference to the interpretation to be placed upon the various provisions of the law and has been favored with a number of opinions which have been adopted and used as a basis for the enforcement of the law.

During the period from July 1, 1917, to June 30, 1918, there have been brought to the attention of the department few, if any, wilful infractions of this law. In the formative period of administration of this new law, the department has proceeded cautiously and leniently. All licensees have been fully advised of the requirements of the law as interpreted by the department, and a strict and uniform compliance with all provisions of the law and the rulings made thereunder will be exacted of licensees.

The law does not provide for reports to the department of actual transactions by the various licensees, and, therefore, it is impossible to give statistics showing the amount of money loaned or the average rate of interest charged. It is confidently believed that in the strict enforcement of the provisions of this act, two things will result in Illinois: (1) the business of loaning money to necessitous people will be dignified and placed upon a level with other legitimate enterprises; and (2) the borrower in whose interest the law was demanded, and who has a right to expect that its provisions will be enforced, will be safeguarded in every right which the law affords. To the attainment of these results, every legitimate effort of the department will be directed.

Twenty licensed lenders doing business in Chicago have joined the Chicago Association of Commerce, and a separate subdivision known as the Industrial Loan Division, is to be formed.

CALIFORNIA.

"A copy of the March issue of the NEWS came to hand this morning, and while reading it over the thought occurred to me, that since the California Association have disbanded it has left the Eastern members without correspondents to whom they could send their Skip Collections.

"In the past several accounts that have been sent to members of the Association have been handed to me and I have been able to secure settlements which I believe have been satisfactory to all parties.

"If you care to place my name before the members of the National Association, I am of the opinion that it would result to the mutual advantage of all concerned, as many eastern skips drift into Southern California.

"With my knowledge of the business and my personal acquaintance with many members of the National Association, I believe it would only be necessary to draw attention to the fact of my willingness to handle their business, to open up correspondence that would possibly change many P & L accounts into assets.

"With best wishes to yourself and any of my old friends in Harrisburg, I remain,"

Very truly yours,
W. HALL CROWELL.

NEW JERSEY.

The Siegler bill, introduced this year in the New Jersey Legislature, died in Committee when the New Jersey Legislature adjourned during the month. The bill which proposed that small loans made on chattels could be made at a rate of 1½ per cent. a month, was not seriously considered, especially inasmuch as the State Department of Banking and Insurance advised the author of the measure that the business could not be honestly conducted at a lower rate than 3 per cent. per month. When the author investigated the subject and obtained the facts, he lost interest in passing the measure.

INDUSTRIAL LENDERS NEWS

Official Organ American Industrial Licensed Lenders Association Which Is a Member of the Chamber of Commerce of the U. S. A.

Vol. III. No. 11. MAY, 1919. Price, $1.00 a Year.

MARYLAND.

An interesting meeting of the Maryland Association was held at the Hotel Emerson, April 8. It was well attended and a number of interesting subjects were discussed including "An Ordinance for Regulating the Removals of Furniture," "Lending on Liberty Bonds" and "The Requirements of the United States Government with respect to Revenue Stamps on the Papers Taken By Licensed Lenders of Maryland." It appears that one member in Cumberland was putting unnecessary revenue stamps on chattel mortgages. According to the ruling which Mr. Hougham secured from the Department of Internal Affairs, no stamps are required on salary assignments or chattel mortgages taken by the lenders in Maryland, but a two cent revenue stamp on every hundred dollars or fraction thereof, is required when a note is taken in conjunction with the other papers.

In May the annual meeting of the Maryland Association will include a buffet lunch and smoker. All managers and outside men will be invited to this affair. The business part of the meeting will include the election of officers and reports from standing committees.

One of the largest employers of labor, employing some 10,000 men in Baltimore, has recognized an assignment of wages made by a borrower who neglected to pay his account in accordance with his contract and are deducting 10 per cent. of the man's wages each week, in accordance with the law until the debt with interest is entirely liquidated.

We are pleased to report that upon investigation, that no member of the Maryland Association is guilty of overcharging for notarial fees taken in conjunction with the making of loans in accordance with the law, and in accordance with the rulings of the Bank Commissioner.

Here is what the *Baltimore Sun* said about the annual meeting, May 14:

"At the annual meeting and banquet of the Licensed Lenders' Association at the Emerson Hotel last night, Howard Bryant, newly elected president of the Second Branch City Council, who was the principal speaker, enjoyed applause from men many of whom previously were opposed to his ideas on legislation regulating the business of loaning money.

"Mr. Bryant while a member of the last legislature introduced the measure which put the so-called 'loan shark' in Baltimore out of business. Now, however, as Mr. Bryant said at the meeting, the business of the loan office is on a thoroughly legitimate basis and the men engaged in it can hold up their heads and stand in the community without suspicion.

"'I do not know of any business that was as low down as yours, and that has in so short a time risen to so high a plane,' he said, amid applause.

"Addresses also were made by C. H. Watts, of Philadelphia and Baltimore, who was the instigator of the movement to have the law passed; George W. Kehr, national secretary of the American Industrial Licensed Lenders' Association, and Herbert F. Griffin, who is in the office of the Bank Commissioner.

"Officers elected are: William Young, chairman; W. P. Pentz, secretary; J. D. Goldrick, treasurer; E. E. Hougham, C. H. Watts, O. C. Orem, Virgil D. Moss and H. T. Mattingly, Executive Committee. The members of the association decided to close their offices at 1 p. m. on Saturdays in July and August."

CALIFORNIA.

Our members will be pleased to hear, in these columns, from Thomas E. Bennett, perhaps to their advantage.

"The new California law, known as the Usury Law, took effect December 16 last, and now, as a result of the passage of that drastic law respectable loan companies have closed their offices and have had to go out of business. Our State Association of Small Loan Licensed Brokers disbanded January 25 last.

"I am enclosing herewith postal money order for $1.00 for the INDUSTRIAL LENDERS NEWS. I am greatly interested in the NEWS, and look for my copy every month with eagerness, as it contains the news of the loan business of what's doing in the different states. March copy did not come.

"I have been in business here continuously for a little more than ten years, and would still be in business but for the new Usury Law.

"I have not sufficient capital to engage in the loan business at the new legal rates of 3 or 3½ per cent. on unpaid balances, so I am going to take a position with some good, clean, reliable loan company, and I am writing you to know if you can put me in touch with some good manager. I came from Philadelphia, where I was in business for myself for about two years, being the organizer of the Franklin Loan Company of Philadelphia, taking in two partners with me in the business. I sold my interest and came to California, in 1908, and opened the San Diego Loan and Finance Company.

"I am willing to go anywhere—East, Middle-West or South, or North-West. I was formerly with the American Loan Co., 1208 Chestnut Street, Philadelphia, for several years before organizing the Franklin Loan Company, Philadelphia. I have a pretty wide experience in this line, having begun and trained in Chicago, then later in Detroit, afterward in Washington, D. C., for six years, then in Philadelphia, as stated above. I like the business, and have been successful in managing it. I can furnish references of undoubted recognizable strength, also bank references, if desired. Mr. Schroder, of the American Loan Co., 1208 Chestnut Street, Philadelphia, knows who and what I am.

Thanking you in advance for anything you may be able to do for me. I am,

Yours respectfully,
THOMAS E. BENNETT.
852 Twenty-first Street,
San Diego, Cal.

CONNECTICUT

Progress is being made in the enactment of the Uniform Small Loan Law in the Connecticut Legislature. The last we heard from Connecticut, we were informed that the bill passed the House unanimously and has been referred to the Senate where its friends believe it will receive similar treatment. This is the result of careful investigation made by the Banking Committee into the merits of the legislation proposed, and on account of the interest of a number of public welfare associations in the State of Connecticut who desire to see Connecticut have a law which will permanently eliminate the loan shark evil.

The bill has since passed the Senate unanimously and became a law when the governor affixed his signature, May 12.

CIVIL RELIEF.

MR WEBB of N. C.: To amend paragraph 1 of section 200 of article II of the Act entitled "An Act to extend protection to the civil rights of members of the Military and Naval Establishments of the United States engaged in the present war," approved March 8, 1918.

The bill proposes to amend the first paragraph of section 200 of the Soldiers and Sailors Civil Relief Act which provides that plaintiffs in suits against defendants in the military or naval service furnish bond to answer for any judgment rendered in their favor by the court, by waiving this requirement as to suits in which the United States is a plaintiff. In such cases the bill authorizes that costs incurred, including court fees of attorneys named by the court to protect the interests of absent defendants, are to be paid by the United States. Status: Passed House, 2-17-19.

INDUSTRIAL LENDERS NEWS

Established 1916.

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Correspondence and items intended for publication should be addressed to Geo. W. Kehr, 204 Chestnut St., Harrisburg, Pa.

Communications cordially invited.

AMERICAN INDUSTRIAL LICENSED LENDERS' ASSOCIATION.

NATIONAL OFFICERS, 1918-1919.

Chairman, J. H. Dyer, 404 Bank of Commerce Bldg., Columbus.
Treasurer, J. H. Aufderheide, 860 Lemcke Annex, Indianapolis.
Secretary, G. W. Kehr, 204 Chestnut St., Harrisburg.

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Ind.—A. C. Broughman, 304 Marion Natl. Bk. Bldg., Marion.
Iowa.—T. J. Harrison, 115½ E. 4th St., Waterloo.
Md.—William Young, 419 Munsey Bldg., Baltimore.
Mich.—J. E. Ryan, 707 Breitmeyer Bldg., Detroit.
N. J.—J. W. Whitstone, Frost Bldg., Plainfield.
Ohio.—J. H. Dyer, Esq., 404 Bank of Commerce Bldg., Columbus.
Pa.—A. S. Ezekiel, 1033 Chestnut St., Philadelphia.
R. I.—W. G. Wood, 268 Westminster St., Providence.
Va.—J. H. Hancock, 412 E. Marshall St., Richmond.
Unorganized States.—R. M. Rutherford, 202 Coleman Bldg., Louisville, Ky.

COMMITTEES.

Chairman, Auditing, E. P. East, 175 Fifth Ave., New York.
Chairman, Finance, L. T. Baker, 109 N. Dearborn St., Chicago.
Chairman, Law, F. R. Hubachek, Esq., 610 McKnight Bldg., Minneapolis.
Chairman, Legislation, W. P. Woll, 337 W. Madison St., Chicago.
Chairman, Membership, W. A. Zumpfe, 701 Odd Fellows' Bldg., Indianapolis.
Chairman, Publicity, R. F. Hartz, 205 Law Bldg., Indianapolis.

The Executive Council is composed of the National Officers, Vice-Chairmen, and Committee Chairmen.

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Ind.—R. C. Aufderheide, 860 Lemcke Annex, Indianapolis.
Iowa.—D. Esmond, 312 Century Bldg., Des Moines.
Md.—W. P. Pentz, 111 N. Charles St., Baltimore.
Mich.—H. D. Firth, 407 5th Natl. Bk. Bldg., Grand Rapids.
N. J.—P. L. Alberse, 411 Romaine Bldg., Paterson.
Ohio.—J. Fred Anderson, 401 Bushnell Bldg., Springfield.
Pa.—C. H. Watts, 1011 Chestnut St., Philadelphia.
R. I.—J. H. Wickstrom, 87 Weybosset St., Providence.
Va.—A. B. McMurtrie, 417 E. Broad St., Richmond.

ARIZONA.

Arizona has enacted an anti-loan shark law and in so doing has taken a step forward in the movement to improve small loan conditions throughout the country. The bill passed the Senate March 1, 17 ayes, no nays, one absent, one excused. On March 13, the House passed the measure, 32 ayes, one nay, one absent, one excused. The bill was signed by the Governor March 17, 1919, and thus has become a law.

Among the provisions of the law may be mentioned: Loans are limited to $300.00 or less, supervision is placed under the Bank Comptroller, the license fee is placed at $50.00 per annum, and a bond of $1,000.00 to the State must be given. The supervisor is given the right to investigate loans and the business and to enter offices and examine books. The maximum interest charge that may be made is fixed at 3½ per cent. per calendar month, inclusive of all charges incident to the making of the loan. False or deceptive advertising or circulars are prohibited. Severe penalties are provided for any violation of the law. A passbook must be issued to the borrower, giving in the English language, clear and distinct terms, date, the amount and compensation for interest, fees, expenses and losses, for any loan made, with the provision that all payments shall be properly credited in the passbook issued when the loan is made. Both husband and wife must sign the chattel mortgage if the loan is made on household furniture. Only 10 per cent. of the man's pay may be taken on his pay day to liquidate any loan which a borrower might refuse to pay.

VIRGINIA.

A meeting of the Virginia Association was held, May the eighth, in Mr. Edge's office, Richmond.

The meeting was called to order by the chairman, J. H. Hancock. Members present: Messrs. Hancock, Thompson, Edge, McMurtrie and Moss.

The matter of closing at six o'clock on Saturdays was discussed, and it was agreed that all members, beginning the first Saturday in June, 1919, close their offices at six o'clock Saturday evenings, except December.

A letter from the General Realty Company of Lynchurg, Va., was read, requesting membership in the Virginia Industrial Licensed Lenders Association, enclosing check for five dollars.

On motion, the secretary was instructed to send a letter of explanation, regarding five dollar check, and inviting said company to become member of the Virginia Association.

It was agreed to refund five-dollar overcharge to the Home Guarantee Company.

The "doubling up" evil was discussed, but no action was taken.

INDIANA.

The secretary of the Indiana Association sent out this tempting invitation relative to the annual meeting which is to take place at the Claypool Hotel, Indianapolis, May 21.

"You simply cannot afford to miss this meeting. A special program for managers, something new for owners—and plenty of real, instructive 'dope' for everyone.

"Election of officers—come and vote and pick the men to run your association.

"A big surprise! Hon. J. H. Dyer, of Columbus, O., national chairman of our American Association, will honor us. If you have ever heard Judge Dyer speak you'll be sure to come. If you have never had the pleasure this is your opportunity. Don't miss hearing Judge Dyer—he has a message for *you*.

"This is going to be a real meeting! We need you here. We want to make it a success from every standpoint. We want to show our national chairman that the Indiana Association is *alive*.

"Mr. L. C. Harbison, of the Illinois Association, will be present. Mr. Russell Jewett from the Auditor of State's Office will be there.

"Come to the morning meeting at 10 a. m. if possible, but be sure to come to the afternoon session at 2 p. m.

"Big banquet at 6 p. m. Two dollars per plate. Plenty of everything, including music, speeches and fun.

"Sign the enclosed card and return it to the secretary at once. Remember you owe it to the association to attend this meeting.

"Do you know what the Indiana Association has done for you in the matter of legislation this year? Do you realize that *without* the good work of our members we should never have succeeded in defeating the proposed amendments to the present law, which would have put practically all the companies in the state out of business?

"You owe the Indiana Association your support morally as well as financially. Show your appreciation by attending this meeting."

RHODE ISLAND.

The regular meeting and second annual banquet of the Rhode Island Association was held in the parlors of the Narragansett Hotel, Providence, at 7:30 p. m. Thursday, April 24 1919.

A very enjoyable dinner was served and later the assemblage was treated to a very good program by two vaudeville stars of the Keith circuit.

The "Victory Spirit" was the subject of a talk by Mr. Watts, of Philadelphia, and the members felt honored to be able to hear and be inspired by this most appropriate address.

Led by Mr. Wood and accompanied by a pianist the members sang all the patriotic songs of the day, and for a body of men who never sang together before it was remarkable the harmony which prevailed throughout the entire singing. Mr. Rich showed an exceptionally fine tenor voice and we want to hear more of him.

The regular meeting preceded the banquet and was called to order by the chairman, W. G. Wood.

The secretary read the annual report and it was moved that same be spread on the minutes of the meeting.

The chairman told of the value of an association of this kind and wanted the members to take a more active interest in its affairs and not leave matters of importance to one or two members. The chairman pointed out the part that the secretary took in having the ads of the Liberty Bond Loaners separated from our ads. The Liberty Bond Loaners were over-running Providence and Pawtucket, and through Mr. Wickstrom and Mr. Wood it was made possible to not only separate the ads, but to eliminate three or four companies entirely, although the latter was mostly due to an investigation by the advertising manager of the *Evening Bulletin*, which we were instrumental in bringing about. Complimentary and congratulatory mention was made of the individuals who took the matter up and who gave unstintedly of their time for this work. It is another inspiring example of a "getting together" and is an ideal demonstration of the possibilities of the proper spirit and team work.

On motion, the present officers were elected for another year.

On motion, it was agreed that the expenses of the banquet, with the exception of the cost of the entertainers, should be paid in proportion by each firm.

The Secretary's Annual Report.

The Rhode Island Small Loan Brokers, who have recently changed their name to the Rhode Island Industrial Lenders Association, have not been very active in the past year in the way of getting any new members, in fact, it cannot be said that we have enrolled one new member. For an association to grow and gain prestige it must be alive and wide awake, and it is to the advantage of the association as well as each individual member to increase the membership. It is hoped that beginning the third year every member will at least assist in getting new members, and with the proper spirit and coöperation there is no question but what the association can and will boast of a larger membership one year from now. Our present membership is ten members in good standing.

The chairman represented us at the Convention at Detroit last year, and was also a delegate to the special meeting of the National Executive Council at Columbus, Ohio.

The legislature has not brought up or has not passed any bills during the past session that in any way effect or interest the members of the association, and we know of no desire on the part of any member or outsider to change the present rate.

The association has within its power assisted the government in several Liberty Loan drives by advertising in the newspapers and having cards placed in the lobbies of their offices, and by doing so showed a patriotic spirit that was on a par with the many other business institutions of Providence and Pawtucket.

The value of the association was ably demonstrated during the month of March when the city became a haven for individuals and firms that bought and loaned money on liberty bonds. The members at first treated the invaders with little concern, but the writer having been informed of the character of the majority of these concerns in different cities and also the objection of the government to their operating, we immediately got busy with the advertising manager of the *Bulletin*. The opposition was strong, in fact, to bring the situation down to a basis of loaning money, the other side had the best of us as they claimed we were sore owing to their being able to give the public a cleaner, cheaper and more satisfactory loan than we could. A man did not have to give an assignment of wages, mortgage his furniture, have endorsers or be charged any more interest than the actual time he used the money. For instance, if a man borrowed $40 and used the money one month a brokerage fee of 25 or 50 cents would be charged and 40 cents interest making a total of not more than 90 cents for a loan of $40 for one month. His bond was his security, and as he could do with it as he pleased, the lenders on Liberty Loans, did not see any reason why he should not borrow on it and have their ads placed in the same columns as ours. Without going into details as to how we finally swept the opposition aside, it might be said that it was only due to the prestige given us in being able to say that we represented Rhode Island Industrial Lenders Association whose aim in the past three years was to uplight, give character to and uphold the integrity and honest dealings that its name implies.

OHIO.

Here is an interesting letter from the National Chairman, on timely subjects:

"Received March Bulletin this morning and have had time to read it. I desire to compliment you on the very newsy character of this March issue. I am glad to note that you are collecting together all good data that may have appeared during the past few years, including letters written to members of the 1919 legislatures in the various states, to be published later in pamphlet form. I think much can be done along this line to make the legislative work in the future very much less burdensome. For the present I think our energies should be bent on getting literature together for the specific use of the legislative committee. I am not much impressed with what may be described as exploiting our business in the hope of getting the good opinion of the public generally. This can be accomplished better, in my opinion, by centralizing our endeavor on getting the good opinion of legislators and those civic societies in each community that deal with questions of people with whom our concerns do business. We should keep in mind, also, in compiling this literature, the fact that it can be used in local communities with civic societies that control public opinion. If our local concerns would all wake up to the fact that the popularity of their business depends largely on civic and charity organizations that come in contact with our patrons and would cultivate their good opinion and support by becoming actively identified with these local bodies, we would get along much faster in creating a good public opinion of our business. For that matter, in large cities, our local concerns could combine and create a fund to be contributed in behalf of all to each of these societies and have some one of their officers, directors or stockholders become active with these organizations with the end in view of demonstrating the necessity of our business and the benefit our concerns are to many of the class of people with whom these Associations deal. The activities of Colonel Pond in Cleveland with several local civic relief and semi-charitable organizations, is a good example of what I mean in this respect. The Colonel has a very large business and very little trouble, because of his known relation to these benevolent organizations. In the past, I think those engaged in this business have been given too much to secrecy, opposing and contesting with these civic organizations.

"To make myself plainer, possibly, I think our endeavors in the recent past have been too broad to do very much specific good. We will not succeed in convincing the general public by any literature that may be distributed, that 3½ per cent. is *justified* on any kind of a loan. This must be done by reaching individuals and organizations that deal with that class of people that must pay this interest rate if they procure accommodations on the security they have to offer. When these persons and societies are convinced that this is a reasonable rate, they will scatter a word which will do more to elevate and justify our business than anything we can do by direct advertising or otherwise exploiting our business.

"I am herewith sending you House Bill 369, providing for an amendment to our rate. The author of this bill claims that he proposed this amendment because of certain farm loans that are made in his community where they run a long time and when settlement day comes, the enormous accumulated interest almost bankrupts the borrower. His amendment would only result in requiring all lenders to make four month loans, and would also compel the borrower to renew. This amendment has no chance of passage, as it is still in committee and no special effort is being made to have it considered or passed. The State Department is opposed to it and I think they will be able to convince Mr. Chester that his amendment will be of no advantage.

"The bankers of Ohio are making a strong effort to codify the banking laws under House Bill No. 200. The Morris Plan people of this State will procure an amendment allowing them to loan on *collateral*, and will also permit them to take payments in equal amounts during the period of the loan in place of weekly payments as originally provided. In other words, the Morris Plan people in this State admit that they cannot make any money with their large overhead expense under the old Morris Plan. They now seek to operate as *Special Banks* in Ohio, thereby discarding the name *Morris Plan Banks*, and they will gradually develop into institutions doing a regular banking business. In other words, the prominent citizens of Ohio who set out under the Morris Plan to dislodge the Loan Sharks, find that their proposed plan is a failure, and they want to convert their interests into regular banks. Our experience has been that the Morris Plan people have not injured our regular chattel and pledge loan business to any great extent, and they have been gradually getting away from the small loan business. Our Association has concluded not to oppose this amendment with the understanding that should we need help in the future to protect the Lloyd Act, we can call on the regular Bankers Association and the Superintendent of Banks for assistance.

"I have concluded, after due consideration, to appoint Mr. Zumpfe, Chairman of the Membership Committee, to fill the unexpired term of Dr. Mueller. I am doing this because I feel Mr. Zumpfe has occasion during the regular course of his business to visit many states, and in this way to keep in touch with the national organization in all sections of the country. Mr. Broughman informs me that he travels in a very limited sphere and would not have any opportunity to visit the different sections of the country. Both Mr. Zumpfe and Mr. Broughman very kindly consented to act if I insisted on their appointment, but both recommended the other for the place."

"Yours very truly,

"*J.* H. Dyer, *Chairman.*"

ILLINOIS.

Here is Mr. Baker's report of the Illinois Association meeting held in Chicago, Aphil 25:

"First of all we enjoyed an unusual attendance, there being present thirty-nine members and five guests, making a total of fourty-four seated at the well arranged and nicely decorated table in the Gray Room of the Sherman hotel, and as the members entered the door they were introduced by Mr. Harbison to our honored guest of the evening, Mr. J. C. Baldwin, Assistant Director of the Department of Trade and Commerce.

"Immediately after dinner Attorney Melville Adams, who was also our guest representing the Victory Loan Committee, made a brief talk and called for subscriptions in an endeavor to complete our quota of $40,000.00 which was assigned to our Association. Subscriptions handed in and pledged, amounted to about $11,000 with about $4,000 having been previously closed, making a total to date of approximately $15,000. At the close of the Bond sale our Association was credited with having sold $40,300.

"A few minutes were then devoted to obtaining additional members for the Association of Commerce. Several men signified their willingness to join and we feel sure of getting almost a 100 per cent. membership from our Association.

"Then came the big event of the evening. Mr. Baldwin was good enough to give us a short talk and tell a few stories. Among other things he said 'Since the Small Loan act had been placed on the statute books, a representative of the office of the Department of Trade and Commerce had been invited from time to time to attend one of our quarterly meetings, but it seemed that circumstances had not permitted it, and expressed regrets for both himself and Mr. Boys.'

"He also expressed a feeling of appreciation for the nature and warmth of the invitations issued them.

"Mr. Baldwin frankly admitted that when the small loan business came under the supervision of their department, they were prejudiced against money lending, feeling that 6 per cent. was the highest rate the loan business justified, also feeling that the licensees would be annoying and troublesome.

"It was very gratifying however, that he counteracted this statement, with an equally frank confession that their attitude and opinion has been entirely changed by actual contact with the business and those engaged in it.

"He states that they now believe the rate is justified and that the methods employed by the licensees, with one or two exceptions, are beyond reproach, and that while there may have been a few violations, not brought to the attention of the Department, they are confident that such breaches in the law are reduced to the irreducible minimum. Their opinion of the business and the personnel of the business began to change, he states, immediately after receiving original reports of the inspector and culminated in a firm conviction in our favor after meeting our Legislative Committee together with Attorneys Napier and Hubechek this Spring.

"In making this statement Mr. Baldwin assured us that he spoke for Mr. Boys as well.

"To illustrate just how their opinion of the business and those in it has changed, Mr. Baldwin told a story about the difference between what we are and what they thought we were.

"The Department, he advised, have under consideration the issuance of a questionaire, which will be sent to each licensee within the next two months, in order that the Department may gain information as to the amount of capital invested by each licensee, the number of loans made, and the average amount of the loans, and similar information, which if given will be used in a strictly private manner, and only in making reports to the Governor.

"As regards the Legislation, Mr. Baldwin stated that only one bill to date had been introduced and that the Department had no interest in same, as they believe the law should remain as it is for at least another two years, or until better information is obtainable upon which amendments or alternations might be based.

"In the administration of the duties of the Department of Trade and Commerce, Mr. Baldwin assured us that our Association had been a big help in adjudicating the law, that their work was made much easier by the co-operation of the Association, in Chicago, and down-state as well. The Business they are firmly convinced, has been dignified by the law and by the methods employed by the licensees, and that men of character can proudly be Associated in the small loan business of to-day.

"Mr. Baldwin emphasized however, that the Department feels that their first duty is to closely guard the welfare of the borrower.

"He then commended the licensees upon the welcome reception and open-minded coöperation given the inspector. This, he assured us, was appreciated by the Department as well as Mr. Gamber, and he felt sure that Miss Cartwell, who is succeeding Mr. Gamber, will be treated in a like manner.

"In closing Mr. Baldwin stated that the Department did not have in mind further changes in the way of amendments or additions to minimum requirements, but since attending our Association meeting and seeing the manner in which it was conducted and the class of men engaged in the business, he had about decided that he would recommend to the Department that each applicant for license be required to become a member of our Association as one of the preliminary qualifications.

"Immediately after convening for the business session Mr. Gamber, our former inspector, gave a brief talk, in which he expressed appreciation for the courteous treatment accorded him by our members.

"After the reading of some interesting correspondence, and several short talks by Mr. Napier, in answer to questions, put to him by different members, an opportunity for open discussion was given which resulted in much interesting and valuable information, and was entered into enthusiastically by quite a number of those present. The general discussion feature was accepted by all as a very vital part of our meeting, and many members urged that the practice be continued.

THE MEILICKE LOAN OFFICE TIME AND INTEREST CALCULATING MACHINE

By one turn of the hand wheel the operator gets the amount of interest in dollars and cents, without the figuring of time.

Eliminates all chance of errors. It calculates interest faster than any other device and is far quicker than the human mind.

Machine-made answers carry with them the confidence of your customers and will bring a realization that your office stands for honesty, fairness, square-dealing and efficiency.

This machine is now being used successfully by many Loan Offices and is heartily endorsed everywhere. They have specifically stated that it saves them money, time and work.

Mr. A. L. Weinschenk, Chicago, writes us as follows:

April 19th, 1919

Meilicke Calculating Company,
350 No. Clark St.,
Chicago, Ill.

Gentlemen: —

We have been using your Interest Calculating Machine for about one year, and consider it absolutely indispensable to our business. It has proven a time-saver and accurate in every calculation, The price it costs is nothing compared with the benefits we have and are deriving from its use. We have become so accustomed to it that we would not conduct our business without it.

You may refer to us at any and all times with reference to your Machine—we highly recommend its use.

Very truly yours,
CHICAGO FINANCE COMPANY
By Arthur L. Weinschenk.

We have machines in stock now for Illinois, Indiana, Maryland, Maine, Ohio and Virginia. We can also make them for any State where a legal rate is in force.

Send for particulars and names of users.

Meilicke Calculator Co.
350 No. Clark St.
CHICAGO, ILL.

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UNIVERSITY OF ILLINOIS LIBRARY

N. F. CONVENTION.

The Eleventh Annual Convention of the National Federation of Remedial Loan Associations was held at Hotel Radisson, Minneapolis, Minn., June 26, 27, 28.

The program consisted of an address of welcome by the Mayor of Minneapolis, the report of secretary-treasurer J. E. Ryan, "The Year's Progress and the Uniformed Law" by Walter S. Heilborn, Acting Director, Russell Sage Foundation Division of Remedial Loans; a luncheon tendered by the Equitable Loan Association, Minneapolis, Minn.; "The Uniform Small Loans Law in Operation," by W. J. Kirkpatrick and J. K. Stevens; "What Has the Remedial Loan Association Accomplished During the War Period?" Wm. F. Davis; "Pledge Loans and the Disposal of Unredeemed Pledges," F. A. Phillips; "Loans on Liberty Bonds and W. S. S.," C. F. Bigelow; "The Canadian Situation," Mrs. Ralph Smith; "Building Up a Loan Balance is to the Borrower's Best Interests," A. L. Whittmer; "The Loan Shark Situation, Legislation, Statistics, Etc.", by Wilson D. Clark, I. W. Starkweather, W. E. Palmatier, C. Meyers Herman, R. M. Rutherford, A. C. Auger, J. K. Stephens, M. M. Power; "The National Federation," Hugh Cavanaugh; "A Woman's Experience in the Loan Business," Miss Beatrice Faulkner; "Conditions in the South," Nathan Halpern; at four o'clock a trip through the State University; Round Table Discussion.

The National Federation now has a total membership of 35, most of the principal cities from Portland, Maine to Vancouver, B. C., being represented. Previous conventions have been held in Buffalo, St. Louis, Boston, Cleveland, New York, Philadelphia, Baltimore, Detroit, Cincinnati, Atlantic City. Chas. E. Burnham, of Worcester, Mass., elected chairman at last year's convention, died Jan. 15 1919.

CALIFORNIA.

Our correspondent, W. Hall Crowell, Esq., 424 S. Broadway, Los Angeles, Cal., wrote us recently in regard to the California situation, as follows:

"I believe the time will come when California will adopt a uniform law modeled after that of the Eastern states, as I do not believe the recent 1 per cent. law will prove satisfactory to either the borrower or lender. A test case is now in the Lower Courts on the California 1 per cent. law. The case was on trial last week and was continued until the 29th. It is my opinion that the company against whom the action is being placed will appeal and carry it to the highest court in the state, should they get an adverse decision. This is purely problematical.

Even though the law proves to be tight, I agree with you that in the course of time it will be repealed, therefore, the missionary work being done by the Association will not be wasted, should the matter come up in legislature in future years.

I continue to keep in close touch with what is going on and will appreciate my name being placed permanently on the mailing list of the Industrial Lenders News, as well as on the mailing list for additional literature along this line which may be going out from time to time, so I would be in a position to speak convincingly and authoritatively as to what has been accomplished and is being accomplished in other states under a model law, should I ever be called upon to do so.

The next session of the California Legislature, I believe, will have something before them in the way of a repeal of the present law as I think the people will by that time have realized what it means to be without a place to go to borrow on their individual signature without resorting to numerous co-signers.

MARYLAND.

The regular monthly meeting of the Licensed Lenders Association of Maryland was held at the Emerson Hotel, Tuesday evening, June 10, 1919, at 8 p. m., chairman presiding.

The companies present were: The Central Loan Co., Co-Operative Loan and Investment Co., Household Loan Co., Chesapeake Loan Co., Union Loan Co., Reliance Guarantee Co., Surety Guaranty Co., and the Commercial Co.

The minutes for the May meeting were read and approved.

Several communications were read, but no action was taken as the suggestions, recommendations, etc., contained in the communications were of such importance, that not enough companies were present to take action in the matter. The communications were turned over to the Executive Committee for their disposal.

The Secretary was instructed to get some data from the National Secretary regarding the arrangement of dues by per centage, also expenses for past year of the National Association. On receipt of same, a meeting will be called, of the Executive Committee.

Mr. Masters or Mr. Mattingly was elected as delegate to the National Convention in September. Mr. Hougham was elected as alternate to National Convention in September.

The meeting adjourned till September 9, 1919.

NATIONAL CONVENTION.

Now is the time to plan to attend the National Convention at Atlantic City, Sept. 4, 5, and 6. Now is the time for the State Associations to select their delegates. Now is the time to send suggestions for the program to the National Secretary. The Convention will not be a success unless everyone takes an interest in it, and makes an effort to be in attendance. Suggestions have already been received which indicate that there will be interesting reports from the officers and standing committees, and that several subjects of great importance will be considered.

By mail, most members have been notified concerning the conference held at Indianapolis, May 19, which was attended by Messrs. Dyer, Zumpfe, Aufderheide, Broughman and Baker. This meeting considered and discussed ways and means of increasing the revenue and usefulness of the A. I. L. L. A. It is proposed that the result of this conference be submitted at the National Convention for a decision. It has to do largely with increasing the dues paid by the members to the A. A., to be based on the amount of the invested capital of each member. The proposition as it stands now, places the minimum dues to the A. A. at $10 for any office of $25,000 or less, and $.50 for each additional thousand dollars employed in the business above $25,000. To illustrate, a $30,000 office would pay $12.50 to the A. A., a $45,000 one would pay $20; a $65,000 office, $30; an $85,000 office, $40; and a $100,000 office would pay $50. The Committee recommends that a limit of $100 be placed as the maximum amount of dues that any office should pay the A. A.

The question has already been asked, what does invested capital mean? The United States Government ruling on this question is, that it includes capital stock, surplus, undivided profits, and borrowed money. In other words, it includes all the money that is used in the business regardless of the amount that may be placed in the capital stock account, but if this amount fluctuates during the year the average must be taken.

The question has also been asked, for what purpose does the Committee propose to increase the dues? Only an intimate knowledge of the affairs of the A. A., which will be given in the reports of the officers and the plans of increasing the usefulness of the organization, will help to solve this question to the best interests of all concerned. Come to the Convention, and get acquainted with the plans and the financial affairs of the organization.

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Iowa.—T. J. Harrison, 115½ E. 4th St., Waterloo.
Md.—William Young, 419 Munsey Bldg., Baltimore.
Mich.—F. E. Stroup, 507 Commercial Bank Bldg., Grand Rapids.
N. J.—J. W. Whitstone, Frost Bldg., Plainfield.
Ohio.—J. H. Dyer, Esq., 404 Bank of Commerce Bldg., Columbus.
Pa.—A. S. Ezekiel, 1033 Chestnut St., Philadelphia.
R. I.—W. G. Wood, 268 Westminster St., Providence.
Va.—J. H. Hancock, 412 E. Marshall St., Richmond.
Unorganized States.—R. M. Rutherford, 202 Coleman Bldg., Louisville, Ky.

COMMITTEES.

Chairman, Auditing, E. P. East, 175 Fifth Ave., New York.
Chairman, Finance, L. T. Baker, 109 N. Dearborn St., Chicago.
Chairman, Law, F. R. Hubachek, Esq., 610 McKnight Bldg., Minneapolis.
Chairman, Legislation, W. P. Woll, 337 W. Madison St., Chicago.
Chairman, Membership, W. A. Zumpfe, 701 Odd Fellows' Bldg., Indianapolis.
Chairman, Publicity, R. F. Hartz, 205 Law Bldg., Indianapolis.

The Executive Council is composed of the National Officers, Vice-Chairmen, and Committee Chairmen.

STATE SECRETARIES.

Ill.—L. T. Baker, 109 N. Dearborn St., Chicago.
Ind.—R. C. Aufderheide, 860 Lemcke Annex, Indianapolis.
Iowa.—D. Esmond, 312 Century Bldg., Des Moines.
Md.—W. P. Pentz, 111 N. Charles St., Baltimore.
Mich.—H. D. Firth, 407 4th Natl. Bk. Bldg., Grand Rapids.
N. J.—P. L. Alberse, 411 Romaine Bldg., Paterson.
Ohio.—J. Fred Anderson, 401 Bushnell Bldg., Springfield.
Pa.—C. H. Watts, 1011 Chestnut St., Philadelphia.
R. I.—J. H. Wickstrom, 87 Weybosset St., Providence.
Va.—A. B. McMurtrie, 417 E. Broad St., Richmond.

DECLARATION OF PRINCIPLES.

As revised by the Executive Council, January 21, 1918.

1. We will do what we can to dignify, uplift and standardize the small loan business in every quarter of the United States.

2. We will favor state legislation, uniform in character, providing licenses and supervision by a state official, with bond to the state, and providing legal rates and terms fair to both lender and borrower.

3. We will assist by publicity in educating the public to the service rendered by industrial lenders in this necessary business.

4. We will obey the small loan laws ourselves, and police the business.

5. We will regulate our public advertisements and circulars, so that they shall be dignified, truthful and straightforward.

6. We will keep our books and accounts in plain and understandable form, satisfactory to the licensing official and never refuse a borrower a statement of his account.

7. We will make an earnest effort to maintain good relations with all state officials and their examiners, and will always deal with them frankly in a spirit of coöperation, and in recognition of their duty to the public as well as to licensees.

8. We will not do anything to bring the business of the American Industrial Licensed Lenders Association, or our State Associations, into disrepute, or question as to our fair and lawful methods.

9. We will coöperate with all members of the American Industrial Licensed Lenders Association and our affiliated State Associations, in respect to accurate credit information and other advice and assist them in the collection of accounts, dealing with them in a spirit of fraternity and helpfulness.

10. We will do what we can to discourage the practice of making the same borrower or borrowers more than one loan on the same security at the same time.

NOTICE.

Members are requested to frame and display their certificate of membership in the customer's lobby.

OHIO.

On June 11, the Chairman and Secretary of the Ohio Loan Association, sent out the following circular to the members of the Association:

"We are herewith sending you printed copy of a recent ruling of the chief inspector relating to the method of calculating interest by days. This does not affect the King ruling relating to the calculation of interest on monthly balances. Under this recent ruling interest calculating machines may be used by licensees if they desire.

We are also sending you Senate Bill No. 8 passed February 19, 1919, requiring the signature of both husband and wife to a chattel mortgage covering personal household property.

We are to-day sending a letter of invitation to all non-member licensees to attend our convention July 10th and 11th, at Cedar Point. With this letter we are enclosing copies of Senate Bill No. 8 and also the ruling of the Chief Inspector relating to calculating interest by days. We are sending these copies in the hope that we may convince such non-member licensees of the importance and character of the work being done by our Association and to induce them to become members. We are also enclosing to them blank application for membership.

You will confer a great benefit, if you will make it your duty this month to call on and urge any non-member of our Association in your section, to attend our convention and to become a member.

Please remember the dates of the State Convention, make reservation at the hotel, and be prepared to present some interesting question for discussion and bring your wife and friends with you in order that we may all have a good time."

On May 27, R. V. Barto, Chief Examiner, Chattel Loan Division, addressed the Chairman of the Ohio Loan Association, as follows:

"With reference to how the interest on intermediate payments on loans should be figured, whether on "monthly balances," as now generally understood, and which necessarily implies some penalization, or whether by exact days, considering "monthly balances" to mean that balance remaining unpaid, in any month in which a payment on account of principal is made, and figuring interest on that balance for the months and days which actually elapse to the next payment. This latter method is clearly permissible at least by the intent of the Lloyd Act and will be recognized by this division as fully complying with the law. In adopting this method it means that all even months should be counted as months and exact days figured only on a fraction of a month remaining, for instance: from February 15th to March 18th is one month and three days, not thirty-one days; and from July 15th to September 18th is two months and three days, not sixty-five days. If the interest figuring machine facilitates computations on this basis it would seem highly desirable.

We will also continue for the present to recognize the old method of figuring monthly balances.

It is of course important that whichever method is adopted in any office the same method shall be used on all transactions in that office."

GARNISHMENT.

Effective May 15, recission has been made of General Order No. 43, which provided that money in the possession of carriers under federal control shall not be subject to attachment or garnishment. At present, therefore, wages and other money in the possession of carriers under federal control will not be subject to garnishment or attachment unless the state law provides for it and the final construction by the courts of the Federal Control Act of Congress permits it. The Supreme Court of Tennessee recently held that by reason of the latter act money in possession of the Railroad Administration is not subject to attachment or garnishment, and that this was the law regardless of General Order No. 43. The Railroad Administration is, in view of this decision leaving the matter to be determined by the law rather than by any action of its own.

PENNSYLVANIA.

A hearing was held at Harrisburg on the Industrial Bank Bill introduced by Representative Ramsey, March 25. After the proponents had explained this system of banking and Representative Cox, who has made a study of the subject, interrogated the proponents of the measure, the house Banking Committee agreed to let the bill die in Committee.

The amendment proposed by the State Banking Department, eliminating the examination fees as permitted by the Cox law of 1915, was reported out of the Banking Committee favorably and passed the House April 2, by a vote of 147 to 4. The amendment proposes to fix a flat rate of interest of 3½ per cent. per month on unpaid balances, which is to include all charges that may be made on loans of $300.00 or less. The bill has been referred to the Senate for concurrence and at the time this was written, is pending before the Senate Banks and Building and Loan Associations Committee.

The Senate having passed the measure finally, the Governor made it a law June 4, by affixing his signature.

INDIANA.

The meeting of the Indiana Association May 21, 1919. Claypool Hotel, 10.00 a. m. Roll call of the members.

There was some discussion concerning the proposed amendments to the present Indiana law during the last session of the legislature. A motion, duly seconded, was made that the law committee be given a vote of thanks by the Association for their work on behalf of the Association. Carried.

Mr. J. H. Aufderheide, Chairman of the law committee gave a brief report concerning the activities of the law committee. Mr. Aufderheide especially thanked Mr. Broughman, Mr. Spencer, Mr. Zumpfe and Mr. Stratton for their efforts during the last session of the legislature.

Mr. Hartz, Chairman of the Publicity Committee, gave his report. A motion was made, and duly seconded, that $200 additional be appropriated for publicity. Carried. A motion, duly seconded, that the $200 appropriated be spent in Indianapolis newspapers at the discretion of the Publicity Committee. Carried. A motion, duly seconded, that the Association pay 25 per cent. of all publicity used throughout the state as heretofore. Motion was carried.

The chairman of the Auditing Committee read his report. Motion, duly seconded, that the report of the Auditing Committee be accepted, approved and made a matter of minute record. Carried.

A motion was made that the session adjourn until 2:00 o'clock. Carried.

Afternoon session, May 21, 1919, 2:00 p. m., Claypool Hotel. Mr. George W. Farrington read a very interesting paper entitled "Co-operation." After Mr. Farrington's paper was read, there was considerable discussion.

A motion was made and seconded that a standardized form for transfer accounts be adopted by the Association. Carried.

A paper was read by Mr. Robert Spencer, Jr., on "Finance." There was considerable discussion lead principally by Mr. Calendar, after Mr. Spencer's paper. It was the consensus of opinion that the paper was excellent. A motion was made and duly seconded that 500 copies of Mr. Spencer's paper be printed by the Association and be distributed among our members. Carried.

The Chairman of the American Association, Honorable J. H. Dyer, addressed the Association. Judge Dyer particularly asked the Indiana Association not to lose sight of what was going on in our National organization and that unless we protect our national organization we can never build anything firm and staple in our state organization.

Mr. Baker, Secretary of the Illinois Association, addressed the meeting. Mr. Baker's remarks were timely and interesting. He complimented the Indiana Association highly and wound up by askng us to lend our support to the American Association in every way possible,—especially in the matter of financing our national body.

A motion was duly seconded that the delegates of the Indiana Association to the National Convention be instructed to vote for any plan which would aid the American Association in raising funds for the national treasury.

Mr. Stephens, of the Indianapolis Public Welfare Association, addressed the meeting. At the conclusion of Mr. Steven's remarks a motion was made and duly seconded that Mr. Stevens be requested to ask the national federation of Remedial Loan Societies to hold their annual meeting in Indianapolis in 1920 jointly with the American Association conventon.

Mr. Russell Jewett and Mr. Robert Prass, both of the Auditor of States office, addressed the meeting. Both men stated that they were pleased with the work of the Indiana Association, and with the cooperation they had received from our members in policing and regulating the small loan business in Indiana.

A motion was made and duly seconded that the Law Committee await upon the auditor of state department to secure their opinion regarding the sale of notes. Carried.

There was considerable discussion concerning a uniform system of accounting to be used by our members. A motion was made and duly seconded that the Indiana Association adopt a uniform system of accounting and bookkeeping for consideration by the members.

Election of the officers was then held. The following officers were elected, each unanimously: Mr. A. C. Broughman, chairman; Mr. C. H. Stratton, first vice-chairman; Mr. McGregor, second vice-chairman; Mr. R. C. Aufderheide, secretary; Mr. W. B. Hancock, treasurer; Mr. Wm. D. Chandler, chairman of the Executive Committee. The following were elected members of the Executive Committee: Mr. Burrell, Mr L. C. Harbison, Mr. Calendar, Mr. Ben Blumberg, Mr. C. H. Stratton and Mr. L. E. Jones were elected paid delegates to the National Convention in September. Mr. Barton was elected alternate for Mr. Stratton and Mr. Crunk was elected alternate for Mr. Jones.

A motion was made and duly seconded that the chairman appoint ten delegates to represent the Indiana Association at the National Convention. Carried. A motion was made and duly seconded that the chairman appoint ten alternates for the appointive delegates. Carried.

A motion was made and duly seconded that the meeting adjourn. Carried.

The publicity of this meeting was well taken care of by the chairman, Roy F. Hartz, who saw to it that interesting articles appeared in the *Indianapolis News, Indianapolis Star, Indiana Daily News, and Indiana Daily Times.* Each one of these articles treat the Convention as they would any other business men's organization, all of which is gratifying to those who are interested in improving the industrial loan business.

PLAN FOR PEOPLE'S BANKS.

Project to Be Submitted to Congress by Distinguished Men.

New York, May 31.—A campaign to bring about organization in every State of "people's banks," designed to meet the needs of laborers, salaried men, small business men and farmers, was planned at a meeting here to-day of representative professional and business men.

A committee was appointed to work for adoption by Congress of a Federal law authorizing the banks, which would be operated on principles similar to those governing the Massachusetts credit unions.

Members of the committee on legislation include Howard Coonley, vice president of the Emergency Fleet Corporation; George E. Roberts, former director of the United States Mint; Edward A Filene, Boston; Warren S. Stone, grand chief of the Brotherhood of Locomotive Engineers; United States Senator Walsh, of Massachusetts; W. V. Collier, San Antonia, Tex.; former State Bank Commissioner; Dr. C. A. Beard, Director of Bureau of Municipal Research of New York; Felix Vorenberg, Boston; Governor T. W. Bickett, of North Carolina; Dr. F. A. Cleveland, chief of the Bureau of Economy and Efficiency under former President Taft; Dr. Albert Shaw, Max Mitchell, member of the Massachusetts Commission on Foreign Trade and Commerce; Dr. Elwood Mead, chairman of the United States Land Settlement Board; W. B. Prenter, secretary-treasurer of the Brotherhood of Locomotive Engineers, and former United States Senator Albert J. Beverrige.—*Philadelphia Record, June 1, 1919.*

COMMUNICATIONS.

To the National Secretary:

Just received a very interesting letter from Mr. W. P. Woll, chairman of the legislative committee, a part of which is as follows:

"We as business men and as individuals and members of the State Associations and the American Association as a body must forever and always carry on our business and so regulate our dealings with the public that we will always have the respect and confidence of the public. Rather go out of our different ways to do and say things only that will react favorably. I think that a great deal can be accomplished by training our help and assistants to speak more of the business they are in and in the good that our business does for the communities, as they move among their friends and the general public. They can do this without always "talking shop" and without becoming a bore. Train them to know and understand our business thoroughly and with such understanding be able to talk intelligently about it. In this way more real good can be accomplished than seems possible at first glance."

This is old stuff but is always good. I fully believe that if every issue for the next months of the LENDERS NEWS should have a series of articles, fully covering the thoughts and elaborating more thoroughly, that it would be the best thing for the small loan business.

Newspaper publicity advertising is alright. I am for it all the time. However we must not loose sight of the fact that we must be clean ourselves before tryng to convince the public of the fact.

If we can make the public believe that our houses are not made of glass but of good material with a solid foundation, it is an absolute fact that we will not have so many stones thrown at us. The standing of the small loan business has advanced very materially

the past few years—I know it is and will be an uphill job—let's go to it.

Kindly accept this letter as it is intended—a suggestion for future articles of the LENDERS NEWS and not a censure of the past—every issue has been a dandy. If my ideas meet with your approval, why not a series of articles—educating the loan men—in future issues, as outlined by Mr. Woll, a part of his letter being a part of my letter to you.

A. C. BROUGHMAN.

MICHIGAN.

Limited space prevented the publication of the following report from the Secretary of the Michigan Association before this time:

The Michigan Licensed Industrial Lenders Association, held their meeting April 25th at the offices of the Provident Loan Society of Detroit, Michigan, and elected the following officers for the ensuing year: Mr. F. E. Stroup, of Grand Rapids, as Chairman; Mr. James A. MacBeth as vice chairman; Mr. W. G. Stevens as treasurer and Mr. H. D. Firth remains secretary.

We secured two new members to our Association, same being the Kalamazoo Loan Company, 207, Kalamazoo National Bank Building, Kalamazoo, Michigan, and Mr. McCuen, of Jackson, Michigan. I do not know this gentleman's address, as yet, but will let you know later what it is.

The Uniform Small Loan Bill, which we endeavored to pass at the last session of the Legislature, was defeated at the last meeting.

MASSACHUSETTS.

In advocating an increase in pay for school teachers before a committee of the Massachusetts Legislature, the Commissioner of Education was quoted in the *Boston Herald* as having made the statement that in order to make ends meet, the teachers were compelled to resort to the loan sharks and pay a rate equivalent to 80 per cent, per annum for the use of the money. This statement was not left go unchallenged by Frank H. Pope, Supervisor of Loan Agencies, who is charged with the administration of the Massachusetts Small Loan Law which allows but 3 per cent. a month on unpaid balances. His reference to the subject may be noted in the following language:

In reference to the clipping from the *Boston Herald* relative to the bill to increase school teachers pay in Massachusetts, in connection with which the State Commissioner of Education declared that school teachers were the victims of money lenders, etc., will say that this statement did not go unchallenged by this office, and Commissioner Smith was interviewed by me within a very few hours after he made the statement. Upon investigation I found that there was but one school teacher to whom he could refer, who sought to make a loan through a Rhode Island money lender, and when that fact was revealed to me, which, however, he did not state at the Legislative hearing, I did not press the matter further. Had he disclosed at the hearing that the application was not looked upon with sufficient favor by the lender to make the loan, and stated that it was an out-of-the State agency, it would have placed the matter in an entirely different light, but that would not have given opportunity for a sentational feature.

"I found, furthermore, that the applicant was not loaned the money she desired, because, as the representative of Rhode Island told me, the information given by the applicant was not satisfactory.

It will be seen in the final analysis that the effort to secure the loan had really no connection or association with the money lending business of this state. While the statement of the commissioner created a momentary sensation, evidently it was soon forgotten, as indicated by the fact that no one spoke to me in reference to it.

PUBLICITY.

To the National Secretary:

Enclosed find copy of Educational ad for this month, run in all three papers of this city, you will notice the head-line Mr. Shriner, this happens to be the week that all the Shriner's from all over the U. S. are here about 50,000 of them and it appealed to me that it might have a tendency to help in other places where it was made known that an Association exists.

Will appreciate the fact if you can use this in the LENDERS NEWS with an explanation that it was used during Shriners Council meeting.

ROY H. HARTZ,
Publicity Chairman.

Here is the appeal which occupied eleven inches, double column space set up in display type:

Mr. Shriner—
Mr. Citizen

Do You Know What the Principles of the Indiana Industrial Licensed Lenders Association Are?

This association was organized November, 1915, for purpose of uplifting the business and adopted the following resolutions:

1. The object of the Association shall be to protect the borrowing public against usury and extortion in procuring chattel and other small loans.

2. Each member pledges himself to obey the Small Loan Laws of the State.

3. Any person, firm, corporation or association holding a license in the State of Indiana shall be eligible to membership, but thereafter must comply with the laws of the Association.

4. All advertising must be truthful, straight-forward and dignified

In order that the principles for which we stand may be carried out, we ask the general public to coöperate with us in protecting the public from any unscrupulous money lender, should there be any, thereby bringing the legitimate money lender into disrepute without just cause.

Any communication addressed to the secretary of the Indiana Association of Licensed Lenders, 860 Lemcke Annex, will be held in strict confidence and investigated at once.

This applies to every city or town in this state.

INDIANA INDUSTRIAL LICENSED LENDERS ASSOCIATION.

Representing Over 70 Companies in the State.

RAILROAD EMPLOYEES MUST PAY HONEST DEBTS.

Harrisburg Telegraph, Jan. 9, 1919.

While the order of Director General McAdoo prohibiting the garnishment of railroad employes' wages will not be revoked, the following reply to a petition for revocation of the order has been sent to John L. Barton of the railroad administration, to a business organization of Knoxville, Tenn:

"We have now under consideration general instructions which will require railroad employees to meet their just obligations. After careful consideration it has been determined not to revoke general order No. 43.

"Until general instructions are issued names of the men who habitually fail to meet their just obligations should be sent, together with the facts, to the Federal manager of the railroad employing them and the men notified of the action taken."

THE LOAN SHARK AGAIN.

In the interest of the small borrower, prey of the loan shark, the Loan Reform Bureau of New York, organized principally to eliminate the loan shark evil, has issued a pamphlet on the issue that is before so many legislatures, Colorado's legislature included, in order to instruct, if possible, those who have not studied the question.

Where education is most needed is in the matter of interest to be charged.

What the loan shark asks for is no legislation and failing that legislation that cannot be made effective.

If there is to be legislation the loan shark lobby is there with a plea for a "banker's rate of interest" on all loans, eight, ten or twelve per cent. per annum. Why? Because no one can be found to loan money in small amounts to the class of people seeking such loans for that rate of interest, and the business falls back to the loan shark, who can charge what the traffic will bear.

What the loan shark lobby fights against most is legislation that places this business in the open. A law that gives the state banking department authority over loaning agencies, and that insists on publicity, is what the unsavory brood now engaged in the profitable field is afraid of.

The pamphlet in question quotes we should say from a hundred charitable, philanthropic, sociological institutions and their leaders in favor of a rate of interest allowed by law that is practical—and the consensus is that 3½% per month is not unreasonable for small loans—and provisions for publicity, and the business being placed in the control of the banking department of a state. When this is done reputable people will join hands to fight the loan shark on his own ground.

Two classes of opponents are found in nearly every legislature to a proper rate of interest for loans that average $60. One, the demagogue that harps upon the thirty-six or forty-two per cent. per annum without thought of anything else; two, the person who is in earnest but who has not considered the matter in all its bearings. The demagogue is the loan shark's chief reliance. —*Denver News, Denver, Colo., March 15, 1919.*

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INDUSTRIAL LENDERS NEWS

Official Organ American Industrial Licensed Lenders Association Which Is a Member of the Chamber of Commerce of the U. S. A.

Vol. IV. No. 1. JULY, 1919. Price, $1.00 a Year.

OHIO.

Springfield, Ohio, July 14, 1919

Dear Mr. Kehr:

In response to your wire, I send you the enclosed account of the O. L. A. convention, which is written entirely from memory, as I had my books and papers expressed to me from the point and they have not arrived as yet.

I would like to have some of the papers printed in toto, as they were especially good, particularly Col. Pond's paper on "The Loan Co. a Community Asset."

We had an A No. 1 convention, every one seemed filled with the new zest that seems to prevade since the close of the war and to have lost the feeling of hedging which was so much in evidence last year.

I trust that you will have as satisfactory A. A. convention as we feel we had in Ohio.

Very truly,
J. FRED ANDERSON, *Sec.*

The 5th Annual Convention of the Ohio Loan Association was held at Cedar Point on Lake Erie, July 10th and 11th, 1919, and was attended by a large majority of its members, most of whom brought their families, thus forming a regular family party.

We were favored with delightful weather neither too hot nor too cold, The program was unusually interesting and was mostly drawn from our own membership.

We were pleased to have with us Mr. L. T. Baker, of Chicago, Ill., who favored us with an address upon the subject of "Coöperation," and after hearing from him we were all convinced of the importance and necessity of doing everything in our power to build up and enlarge the A. A. He brought out in his characteristic forceful manner the fact that the membership of the A. A. represented an invested capital of more than $25,000,000, and brought home the fact that the welfare and safety of that investment was largely dependent upon the substantial existence of the A. A. and proceeded to show how important it is that we should at all times have a strong centralized organization that stands ready and prepared to look after the emergencies that may arise, comparing it very aptly to the relation which the U. S. A. bears to its states. His address was a lesson in preparedness.

Thursday evening was devoted to pleasure in the form of a moonlight picnic aboard the "Dispatch" pleasure boat. A buffet lunch was served aboard and punch, which savored greatly of the Willard variety after that first lick that Dempsy delivered. As someone has beautifully said, "the fellow who invented near beer had a d— poor idea of distance."

Col. Pond's voice was never heard to better advantage in the musical selections which he rendered and his audience of more than half a hundred compelled him to respond to one encore after another.

C. C. Woodley, of Toledo, read a paper upon "The best method of justifying and explaining the small loan business to the public."

W. J. Kirkpatrick, of Cleveland, discussed "The uniform law in operation," and Col. Pond addressed us on the subject "The Loan Company, a Community Asset."

These papers were of high standard and deserve to be published in the "News," but owing to the fact that they were partly oral and partly written are not available at this time, but we hope to have them for publication in order that your readers may enjoy them as we did.

Ohio is blessed with a state department that has a broad mind and a lot of common sense. They were all at the convention from the Chief down and we made them all let us hear the sound of their respective voices. Hanby Jones, special counsel in the office of the Attorney General, of Ohio, was with us too, and responded with some most interesting remarks. And then too, Senator Lloyd, author of the law under which we operate in Ohio, addressed our Association.

Senator Lloyd has made a close study of the small loan business and has kept himself posted upon the situation since his bill became a law and still stands as its champion. The A. A. would do well to draft him, but we of Ohio would claim and file an exemption.

H. G. DeWeese, of the state department, was the humorist of the convention and his address was brim full of fun and common sense.

As an especial treat to which the ladies were invited we were addressed on Thursday afternoon by Mrs. Judge Winch of Cleveland, Ohio. Mrs. Winch has for several years been in active charge of social welfare work in the "6th city" and told of how at first, loan companies were regarded as being on the out skirts of law, but that upon becoming acquainted with them she found them a mine of information about people. Said that often men needed a loan when they wanted a gift and needed a gift when they asked for a loan and that she had found that loan companies were the most competent source of information for the true solution and that they had at all times fully co-operated in that regard. Mrs. Winch is a woman of charming personality and her expression of appreciation of the assistance that had been given to the social welfare work by loan companies made us all feel the importance of this phase of the loan industry.

The present officers were elected for the ensuing year and the executive committee authorized to select 8 delegates and 8 alternates to the A. A. convention.

INDIANA.

Robert J. Spencer, Jr., Vice-president Grant Savings and Trust Company, Marion, Indiana, read a paper entitled "The Bank as Your Partner," before the meeting of the Indiana Association in May, that is bound to promote a better feeling on the part of the bankers toward the industrial loan business. Here is what Mr. Spencer said:

"The loan business, in connection with chattel security, although a close cog in the financial community, has always been discredited and suffered the stigma of the black sheep of the financial family. People have been more than ready to believe, as in days of Shakespeare, that even now the last penny must be paid, quite like Shylock who sought to exact his pound of flesh.

"This can only be attributed to gross ignorance or willful misunderstanding by the general public. The proof is found through a short conversation with any innocent outsider. His views will reveal to you that the public has very generally believed that enormous profits were accumulated through foreclosure, after the borrower's ability to pay usurious interest rates was completely exhausted.

Not only has this condition been sensed from public opinion generally, but the banker, the financial pulse of the community, has up to the present time, looked askance at any and all financial statements of chattel loan companies. His remarks ended usually with something to the effect that a loan business making any such returns must be precarious, to say the least. The general belief has been that there was a something unknown under it all, and whatever it was, it was absolutely unreliable. Personal acquaintance with banking interests and bankers in our state has revealed this condition to me, and I have continually resented and tried to refute the reasoning which has so wronged the industrial loan business.

"I know of loan companies situated in towns of ten thousand population, where good, live manufacturing concerns are located. Here the best of banking fa-

INDUSTRIAL LENDERS NEWS

Established 1916.

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Correspondence and items intended for publication should be addressed to Geo. W. Kehr, 204 Chestnut St., Harrisburg, Pa.

Communications cordially invited.

AMERICAN INDUSTRIAL LICENSED LENDERS' ASSOCIATION.

NATIONAL OFFICERS, 1918-1919.

Chairman, J. H. Dyer, 404 Bank of Commerce Bldg., Columbus.
Treasurer, J. H. Aufderheide, 860 Lemcke Annex, Indianapolis.
Secretary, G. W. Kehr, 204 Chestnut St., Harrisburg.

VICE-CHAIRMEN.

Ill.—L. C. Harbison, 81 E. Madison St., Chicago.
Ind.—A. C. Broughman, 304 Marion Natl. Bk. Bldg., Marion.
Iowa.—T. J. Harrison, 115½ E. 4th St., Waterloo.
Md.—William Young, 419 Munsey Bldg., Baltimore.
Mich.—F. E. Stroup, 507 Commercial Bank Bldg., Grand Rapids.
N. J.—J. W. Whitstone, Frost Bldg., Plainfield.
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R. I.—W. G. Wood, 268 Westminster St., Providence.
Va.—J. H. Hancock, 412 E. Marshall St., Richmond.
Unorganized States.—R. M. Rutherford, 202 Coleman Bldg., Louisville, Ky.

DATES CHANGED.

On account of all hotel accommodations being engaged at Atlantic City, to September 7, it has been necessary for the committee in charge of the arrangements of the National Convention, to change the dates to September 8, 9 and 10.

Arrangements have been made with the St. Charles Hotel, Atlantic City, for the above dates and any delegates desiring to reach Atlantic City, Sunday, September 7, can be accommodated at the following rates, American Plan:

Room with running water, $6 or $7 daily, one person; room with running water, $11 or $12 daily, two persons; room with bath, frame building, $8, $9 or $10, one person; room with bath, new building, $13 to $16 daily, one person; room with bath, frame building, $14 or $15 daily, two persons; room with bath, new building, $16, $18 or $20 daily, two persons. The meeting room on the ground floor would be placed at the disposal of the convention, free of charge.

All reservations must be made individually direct to the management of the St. Charles Hotel, and each delegate who expects to be present is hereby notified that in order to assure himself of reservations, it will be necessary for him to write to the St. Charles Hotel on or before August 15. The committee urges that each delegate bring his wife along because the arrangements will not only embrace business affairs, but also some of a social and entertaining nature. So far the committee plans to hold a dance in the Hotel, Monday evening, September 8, from 8:30 to 10:30. It also is planning a banquet at $2 per plate for Tuesday evening, September 9, at which the ladies will be invited and good entertainment provided. The committee will not divulge its plans wth respect to the entertainment for the banquet but guarantees that anyone who attends will be well entertained.

The serious end of the program is being thoughtfully worked out and elaborate plans will be presented for the approval of the members. These plans contemplate provisions for making the organization a strong, efficient national business men's organization which will measure up creditably with other organizations in other lines of American business.

Do not let anything interfere with your presence at the National Convention and be sure to notify the St. Charles Hotel before August 15, to make such reservations for you as you may require. Notify the State Secretary and the National Secretary if you expect to attend in order that each may know how to complete all the details.

(*Continued from page 1.*)

cilities may be found and a most desirable clientele obtained, and, after several years of good business, conscientiously conducted, these companies have accumulated loan accounts of from fifteen to twenty thousand dollars and have that much in invested capital. These concerns, feeling that they have merited the respect and confidence of the community, have applied to the local bank for a line of credit and have been more than astonished to find that a line of five hundred dollars was considered the limit, unless the paper was personally endorsed by the stockholders. This may not look unreasonable to some of you unless you consider that a financial statement of the same strength from a manufacturing concern would receive a line of at least forty per cent. of the invested capital, and the banker would consider it neither an unusual transaction nor an abnormal risk when same was granted.

"This condition of affairs can be overcome only through further education as to the nature of the loan business itself, and a demonstration as to how liquid the assets of the business may be. The assets of a mercantile business in comparison with the chattel loan business, has no companion. The manufacturer has his orders, supplies the merchandise, places the account on his books, and depends upon his judgment of credit to insure collection. At the maturity of the invoice, the goods may have been sold, or through shipment may have seriously depreciated in value. In either case, the exact value of his book account is a variable quantity and perfectly undependable.

"The assets of the chattel loan company are bills receivable, legally acquired—evidenced by legal papers and collectible through law at face and capable in the last extremity of forclosure for the final satisfaction of the debt. The item of loss and depreciation is so minimized as to be almost negligible when compared to the possible depreciation and loss in the average mercantile or manufacturing business.

"So far as the liquidation of assets is concerned, it is possible to present concrete figures on this item. In the case of an office where unusual loss was suffered through the mismanagement of an employe, the total bills receivable were collected and a balance approximating a twelve per cent. earning on same within seven months after business was discontinued.

"Another instance was in the case of a group of companies at the time war was declared. The total bills receivable of these offices were approximately a quarter of a million dollars. For two months, no effort was made to expand the business, nor was any effort made to compel collection, yet these offices in this time accumulated one thousand dollars a week, without impairing the business in any office in any respect.

"The chattel loan business is deserving of more consideration by its parent, commercial banking, and it is to be hoped in time the financial statement of a chattel loan company will be the direct medium for credit rather than personal endorsement, or personal liability of these stockholders.

"Industrial loan departments have been opened by several banks through the country, more in the nature of philanthropy than otherwise, for it has been fully appreciated by those who have experienced it that the expense of handling the business has been out of reason as compared with that incident to regular commercial banking. The matter of weekly or monthly payments, such as would be made on loans of this character, has been a common experience to bankers in general, through the Christmas Savings Club and the purchase of Liberty Bonds through the weekly payment plan. After such an experience, it would be hard to convince the banker that his profits could be increased materially through the handling of loans of this character at the normal rate, and banking is a business conducted for profit.

"We at present are entering upon an experience foreign to all—the reconstruction period, whose conditions and effects can only be surmised. We have the general prosperity of business at the present time for encouragement as well as the fact that money is easy and bank statements most reassuring to those who may be desirous of extending their business through additional credit.

"Strikes will, of course, have their effects. A late experience of this sort was in the city of Rockford, Illinois. Through a general strike of the furniture workers, twenty-eight factories were compelled to close and over twenty thousand men were without work. Meditation was accomplished through the State Department of Labor and I have been informed by people interested there that companies making chattel loans had not suffered beyond the fact of a few delinquent accounts, even after a shut-down of over four weeks. The only noticeable effect being the general slowing up of business.

"The activity of many war-time industries in connection with the shortage of labor occasioned by the draft laws caused companies to make undreamed of bids for labor, and wages have assumed a new level. The laboring man has acquired a new plane of living and has increased his demands not only for necessities, but luxuries. His realzaton of credit has grown and he no longer fears to borrow. His wages accommodate his immediate needs and mayhap a Christmas Savings

or Liberty Bond payment each week. But unlooked for circumstances bring forth a demand for extended credit, which may be returned in weekly payments or at the maturity of the Savings Club. These conditions have accomplished much toward educating the people to the possibilities of borrowing conservatively, just as Liberty Loan payments have served as a tremendous demonstrator of the possibilities of weekly or monthly savings.

"Labor unrest will no doubt prove a dominant factor in future business conditions, yet as a direct servant to the laboring people, the chattel loan business, on a legal status, should fear nothing short of Bolshevism, which, in turn will mean complete demoralization of all business.

"State regulation will do a great deal towards giving understanding and confidence to the industrial loan business, which has suffered in the past from discredit through the hands of some who have proved unscrupulous. Educational advertising will enlighten as to methods and conduct of the business, and through the impetus which will be supplied by the general prosperity of the country, the chattel loan business should in the next few years gain an unthought of advancement financially and socially, which will supply the place it rightfully deserves in the business life of the country."

DISTRICT OF COLUMBIA.

In the Pittsburgh *Gazette Times,* July 1, 1919, under the caption "'My Uncle' Returns," Frederick J. Haskin writes this interesting article relative to small loan legislation pending in Congress at this time:

The city of Washington has been trying the experiment of getting along without pawnshops. For half a decade there have been no community "Uncles" in the nation's capital. Thus has a city of 400,000 people, a city which in its local affairs is virtually unaffected by politics, been made the basis of an experiment to determine whether or not the pawn shop is a necessary adjunct to its life and well being.

The answer seems to be that it is, for Washington seems on the verge of again hanging out that sign of the three spheres which beckons perennially to the financially unfortunate and to the improvident.

The last of the legitimate "hock" shops in the District of Columbia passed in 1914. At that time a loan shark law went into effect, which cut down the interest rate that might be charged in the district from 3 per cent. to 1 per cent. a month. This law killed the pawn business in the capital. With the reduced rate of interest the pawnbrokers could not make a profit. Most of them went out of business entirely, while a few located across the Potomac River in Virginia, within a 10-minute trolley ride of Washington. One of the pawnbrokers who moved across the river has since been doing the bulk of the capital's pawn business. When one has wanted to make a loan he has interviewed a representative of the Virginia pawnbroker in Washington and, if conditions for completing the transaction seemed favorable, he has gone across the bridge.

Now the authorities of the district favor the return of the "hock" shops. Especially is this true of the police department. One reason for this is the fact that regulated pawnshops are helpful in detecting thefts. When pawnbrokers did business in Washington more than 25 per cent. of stolen jewelry and other stolen goods was recovered from the pawnshops. To-day less than 3 per cent. is recovered through the second-hand stores, pool rooms, cheap jewelry stores and other kindred places that have illegitimately come to serve as a means by which the thief can get quick cash for his loot.

They Helped the Police.

Under the old regulations, which were in effect before the pawnshops were forced out of business, each pawnbroker in the district had to make a daily report to the police department listing the goods pawned and also furnishing a description of the pawner. In this way the police were often able to trace stolen articles. In case a pawnbroker made a loan on stolen goods, which were later claimed, he was bound to turn the goods back to the owner, losing the sum he had advanced.

With the pawn shop gone the police had a slim chance of checking up stolen goods through the medium of the second-hand stores and similar places. The police know that many of the second-hand stores, particularly second-hand clothing stores, do business on the "hock" shop plan, but they are unable to get the "goods" on these dealers, because of the shrewd manner in which the second-hand men cover up their tracks. These dealers buy second-hand clothing with the understanding that the owner can buy it back at a certain price, which is generally in excess to the ordinary interest rate charged by pawnbrokers. They never give a pawn-ticket as evidence of the transaction. They simply have a "gentleman's agreement" with the customer. Often they violate their end of the agreement, and when the customer returns to redeem his clothing the price is materialy advanced.

Dewey Robbery Disclosed.

Pool rooms and cheap jewelry stores in Washington are said to do a profitable business of a similar nature, but the police have not been able to get sufficient evidence to bring them into court.

There are numerous cases on the police records of Washington which show that pawnbrokers in the old days proved of valuable assistance to the police in unearthing jewelry and other goods stolen from some of the leading homes in Washington. One such pawnbroker in the district, before the enactment of the loan shark law, was instrumental in having seven valuable pieces of jewelry restored to the late Admiral Dewey. In relating the incident, he said that an elderly man came into his office and asked for a loan on an antique gold chain. The pawnbroker assumed from the little the applicant knew about the value of the chain that he must have stolen it. A nominal loan of a few dollars was made, for the value of the chain would have warranted an advance of more than $100. The police were notified. The man brought more jewelry and, under instructions from the police, other small sums were advanced him. Within a month he brought seven pieces of jewelry worth thousands of dollars. He was advanced a total loan of about $100. The police finally took the man into custody and he confessed to having stolen the jewelry from the home of Admiral Dewey. The admiral was surprised to learn of the facts, as he was not even aware that the jewelry was missing. The man was a servant long in the employ of the admiral.

Loan Sharks Kept Out.

Of the two measures introduced in Congress, which will enable the pawnshops to return to the district, Congressman Dyer's bill allows an interest rate of 3 per cent a month on all loans up to $50 and 2 per cent on all loans above that amount. The other bill, by Senator Dillingham, fixes a general rate of 2 per cent on all loans.

The Dyer bill provides "that the surplus money, if any, arising from the sale of the article pawned, after deducting the amount of the loan, the interest then due on the same, and the expenses of the advertisement and sale, shall be paid over by the pawnbroker to the person who would be entitled to redeem the pledge in case no such sale had taken place."

Another section stipulates "that, in addition to the advertisement of sale in the newspapers, it shall be the duty of pawnbrokers to send a letter to the borrower at least three weeks before a sale, calling attention to the fact that the pledge is past due and will be sold if not satisfactorily arranged for by paying all or portion of accrued interest." No pawnbroker can sell any goods until they have been in his possession at least a year, according to the Dyer bill.

The original legislation which put the pawn shop out of business in Washington was aimed at loan sharks, those so-called "10-per centers," who operate on a quite different basis. The new legislation will not allow the 10-per center to resume business. The district government is in favor of letting "Uncle" open up again, if he is properly regulated.

N. F. CONVENTION.

The following article appeared in one of the Minneapolis papers during the Convention of the National Federation of Remedial Loan Associations which was held in that city, June 26, 27, and 28:

Improvement of housing conditions for wage earners, and the part its members can play in the much-needed development of housing, was the important topic discussed yesterday at the second day's session of the convention of the National Federation of Remedial Loan associations being held in the Hotel Radisson.

Reports from all the large industrial centers of the country indicated an alarming shortage of homes of moderate price for wage-earners. Soaring rental rates in all sections are making it difficult for workingmen to maintain homes and crowded and insanitary tenement conditions are resulting with attendant lowering of the earning capacity of the individual.

Need of Change Seen.

That something must be done to offset this condition is occupying the attention of employers and public-spirited business men all over the country and the Remedial Loan associations have been called upon to help solve the problem.

Statements of delegates showed that within the past few months their organizations have been called upon heavily to help finance the construction of small homes for wage earners, and at the session this forenoon a general plan was devised.

It was decided to take care of all such loans within reason. At the same time the interests of the applicant will be fully safeguarded, particularly as to whether the home he is buying, or having built, is obtained at a fair price, and as to whether his earning capacity is such as to insure his ability to meet his payment instalments and eventually own it. Loans will be made on furniture or any other pledgable personal property, including Liberty Loan bonds, Thrift and War savings stamps.

The average down payment on purchase of a home is 10 per cent of the purchase price. If the home is to cost, say $4,000, and the applicant has $100 or $200 saved, the loan associations will furnish him the balance, extending the payments over a long period in small amounts. In this way reports indicated that thousands of wage earners have been enabled to get a start toward a home and from now on a systematic campaign will be made to help wage-earners in this connection. Investigations will be made as to the character of the applicant and as to whether the home is to be erected in a desirable neighborhood, and if not, he will be helped to obtain the right location. Unscrupulous builders will be prevented from overcharging, every encouragement will be given the prospective home owner to carry out his contract.

New Legislation Wanted.

Another feature of the convention yesterday related to an effort that will be made to obtain uniform legislation throughout the country with regard to the disposition of unredeemed pawnbrokers' pledges. In most states the laws provide that they must be sold at public auction, but these laws seem easy to circumvention and most pledges are sold at fake auctions, bought in by cappers at so low a price there is no surplus to return to the owner, and he loses his personal property, most often jewelry, sometimes several times the value of the loan obtained. Laws will be asked prescribing severe penalties for this dodging of a legitimate auction and practical theft of the pledge.

Yesterday afternoon at 4 o'clock the delegates were entertained by the Provident Loan Society of St. Paul, with a drive about the Twin Cities and dinner afterwards at the St. Paul Athletic Club.

The convention, which has been meeting since Thursday, will complete its work this afternoon with election of officers and selection of the next convention city.

The federation was organized 10 years ago for the purpose of affording a medium whereby wage earners could obtain small loans on their personal property in place of having to go to loan sharks. Offices were established by public spirited men in various large industrial centers of the country and have accomplished a great deal of good in the matter of obtaining uniform laws and by other means that have resulted in a material lessening of the loan shark evil.

MARYLAND.

In his Ninth Annual Report, the Bank Commissioner of Maryland, J. Dukes Downes, makes the following interesting reference to his supervision of the small loan business:

"The Legislature, at its last session, enacted a law (Chapter 88, Acts of 1918), known as the "Uniform Small Loan Law," licensing and regulating the business of making loans in sums of $300, or less, at a greater rate of interest than six per centum (6%) per annum; prohibiting false or misleading statements with regard to such loans, and prescribing the maximum rate of interest and charge therefor, with penalties for violation of the Act.

This business was, by the Act, placed in charge and under the supervision of the Bank Commissioner.

Since June 1st, 1918, the date the law went into effect, forty (40) licenses have been issued to individuals, firms, and corporations, engaging in the business of small loan brokers, as defined by the law, as follows:

Baltimore City	37
Cumberland	2
Hagerstown	1

"All licensees have filed with the Bank Commissioner, bonds in responsible companies, as provided by the Act.

"Three companies discontinued their business during the period from June 1st to date, claiming they were unable to do business under the Act.

"Owing to the fact that the law went into effect on June 1st, examinations were not begun until the latter part of 1918. Six examinations have been made, which show that the companies examined are prosperous, and conducting their business in a proper manner. The accounts are kept in good order, the security taken is good, and the interest charged borrowers is computed properly.

"A number of complaints have been investigated but only a few were of much importance, and the companies immediately rectified the grievances.

"Several persons, suspected of making loans at a rate greater than 6% per year, and not licensed, were investigated, but it was found in most instances, that they were collecting their accounts under the old law, and not making any new loans.

"The loan brokers keep their accounts, and use receipt books, chattel mortgages, and salary assignments, in accordance with the forms prescribed by the Banking Department.

A number of brokers were instructed to change their advertising, which was somewhat misleading to the public, which they immediately did.

"A great many constructions of the Act have been given, and it is gratifying to state that the loan brokers have co-operated in every way to aid this Department to carry out all the provisions of the Act.

"The following is a summary of the receipts and disbursements for the period beginning June 1st, 1918, and ending January 31st, 1919:

RECEIPTS.

Amount received for license fees.	$1,887 36	
Interest on Deposits	23 00	
		$1,910 36

DISBURSEMENTS.

Salaries	$592 00	
Office Supplies	8 60	
Printing	69 20	
Office Effects	17 79	
Advertising	14 90	
Postage	3 00	
Traveling, etc	91 48	
Miscellaneous	33 14	
	$830 11	
Balance on Hand, January 31, 1919..	1,080 25	
		$1,910 36

"It is suggested that some amendment be made to the law limiting the charge for Notary fees, in order that borrowers may not be required to pay unnecessary and extortionate charges. It has been brought to the attention of this Department that some loan companies are making loans for a period of one month. In nearly every case, it is doubtless true that the borrower is unable to pay the full amount of the loan at the expiration of one month. As the present terms of the law require that all loans either be renewed or paid off, the chattel mortgage, assignment of wages, or other security which requires a notarial seal, must be cancelled and returned to the borrower. This necessitates new chattel mortgages, or assignments of wages, (in most cases both), which must be executed before a Notary, with the result that the borrower is burdened with the additional charges each month, which frequently amount to more than the interest charges. Obviously, this is not the intent of the law, and should be remedied.

"This Department is also advised that in some instances, loan brokers make a total charge of $1.25 for notary fees each month on a small loan. The Bank Commissioner has directed a letter to all loan companies stating that he considers a charge of 40 cents for the acknowledgment of one signature and affidavit, to be reasonable, with a charge of 70 cents for the acknowledgment of two signatures, and an affidavit, but it seems that this is not being complied with by all brokers. As the law does not cover this matter, the Commissioner is unable to enforce his request.

"I wish to express my sense of obligation to Attorney General Albert C. Ritchie for the aid he has given me in the administration of the banking department, and to Assistant Attorney General John M. Requardt, with whom I have been in almost daily consultation, for his valuable advice on legal matters and his constant attention to the affairs of the department."

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APR 8 1922

INDUSTRIAL LENDERS NEWS

Official Organ American Industrial Licensed Lenders Association Which Is a Member of the Chamber of Commerce of the U. S. A.

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NATIONAL CONVENTION.

In connection with the last call for the Fifth National Convention of the American Industrial Licensed Lenders Association, at the St. Charles Hotel, Atlantic City, N. J., September 8, 9, and 10, the writer wishes to extend to every member, big or little, a cordial invitation to be with us at that time.

State supervisors who assist in the administration of the laws where the industrial loan business is regulated, nonmembers, representatives of the press, business men's organizations and social and public welfare bodies will also be welcome.

If members and nonmembers who represent the $100,000,000 invested in the industrial loan business in the United States would stop to consider this irrevocable truth, that the business in which they are engaged, necessary though it be, and impossible to conduct without losses, is dependent upon securing and retaining favorable state and federal legislation—legislation that will safeguard borrowers who are unable to secure credit from banks, and permit a fair return on their investments—they would better realize the purpose of this convention and the necessity of being present and coöperating with the plans proposed to make the A. I. L. L. A. a strong, efficient national business men's organization.

One member addressing a state association recently, said: "You all believe in life, fire and automobile insurance and pay good money for the protection, but how much do you give to protect the business in which your money is invested, and upon which in most cases your livelihood depends." And he added this further truth: "Don't fool yourself by believing that because you have favorable legislation in your state this year and another state enacts an impossible law, that your state may not next year follow the example of the latter state and put *you* out of business." Is there anyone but a real philanthropist with oceans of money who would like to lend money in sums of $300 or less, practically unsecured, take the risks involved, the inevitable losses, and pay operating expenses, at one or two per cent. per month, when competent public investigators and practical industrial lenders contend that three and one-half per cent. per month is necessary? California and Colorado thought one per cent. per month was enough and acting upon misguided counsel, enacted legislation this year providing that rate. They didn't take a census to ascertain if there were enough philanthropists in those states to supply the demand for unsecured small loans for necessitous purposes, when by their action, they denied capital a fair return and the result is, if these same people who were formerly accommodated are getting the money, they must have at times, it is being obtained from the "loan sharks," operating under cover at rates probably greatly in excess of ten per cent. per month. What preparation have you made to prevent similar action in your state? What support are you giving to the state and national organizations which stand for a square, open deal for borrower and lender? What is the protection afforded and promised by your state and national bodies worth to you per year?

The burning question involved in the above interrogations will be discussed by the big industrial lenders at Atlantic City, but the little fellow's point of view will have to be considered and his voice heard before it can be properly settled.

A week's absence from your business will not ruin it, but adverse legislation will, so, industrial lender, wake up! Write for hotel reservations direct to the St. Charles Hotel, to-day. Be among the live ones. Bring your wife, if you have one, as plans include time for recreation and pleasure along with the serious business scheduled. Do not wait for a special invitation. Consider this as if it were written to you personally. Don't forget to pay your dues so you will be in good standing at the time of the convention. Here is the program the committee has arranged up to the time this is written:

MONDAY, SEPTEMBER 8, 10 A. M.

Call to order by the National Chairman, J. H. Dyer.
Address of welcome, Mayor of Atlantic City.
Address of welcome in behalf of the New Jersey Association, J. W. Whitstone.
Reading of the minutes of the last convention, National Secretary.
Report of the Executive Council, National Chairman.
Report of the Membership Committee, W. A. Zumpfe.
Report of the Committee on Legislation, W. P. Woll.
Report of Committee on Laws, F. R. Hubachek.
Report of the Committee on Publicity, R. F. Hartz.
Report of the Finance Committee, L. T. Baker.
Report of the Secretary, G. W. Kehr.
Report of the Treasurer, J. H. Aufderheide.
Report of the Auditing Committee, E. P. East.
Report of the special committees.
1 P. M.—Convention luncheon.

MONDAY, SEPTEMBER 8, 2 P. M.

The Year's Progress and the Uniform Law, Walter S. Heilborn, acting director, Division of Remedial Loans, Russell Sage Foundation, New York.
Need of Industrial Loan Institutions in Reconstruction Work, R. M. Rutherford, Louisville, Ky.
Observations of an Inspector, R. V. Barto, Chief Inspector Chattel Loan Division, Dept. of Securities, Columbus, O.
8:30 to 10:30 P. M.—Dancing.

TUESDAY, SEPTEMBER 9, 9 A. M.

Justification of the 3½% per Month Rate for Small Loans, L. C. Harbison, Chicago.
Are Losses Increased by Small Payments and Long-Time Contracts? E. E. Hougham, Baltimore.
The Enactment of the Uniform Law in Connecticut, E. P. East, New York.

TUESDAY, SEPTEMBER 9, 2 P. M.

The Industrial Loan Company, a Community Asset, Col. D. H. Pond, Cleveland.
How Can the A. I. L. L. A. Be Made an Efficient, Influential National Business Men's Organization? L. T. Baker, Chicago.
Do the Conditions of the South Warrant a Higher Rate than the Uniform Rate? G. E. Cotton, Hot Springs, Ark., W. P. Woll, Chicago.
The Bank as Your Partner, Robert J. Spencer, Jr., vice-president Grant Savings and Trust Co., Marion, Ind.
7:30 P. M.—Banquet, National Chairman acting as toastmaster.

Speeches will be made by the orators of each state represented. Entertainment will be provided by the Pennsylvania Association.

WEDNESDAY, SEPTEMBER 10, 9 A. M.

Round Table Discussion of: Loan office systems, filing, collections, notices, advertising, court work, etc. The purpose of this is to give everyone an opportunity to discuss every day subjects which will be helpful in the efficient conduct of business. Bring samples of your papers, notices and advertising and relate your experiences.

WEDNESDAY, SEPTEMBER 10, 2 P. M.

Unfinished business—The adoption of the Revised Constitution and By-Laws.
A Day in a Loan Office, Messrs. Anderson, Schoonover, and Woodley, Ohio.
New business.
Nomination and election of officers.
Announcement of committee appointments.

An opportunity will be given each delegate present to ask questions and discuss any subject on the program.

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Established 1916.

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Correspondence and items intended for publication should be addressed to Geo. W. Kehr, 204 Chestnut St., Harrisburg, Pa.

Communications cordially invited.

AMERICAN INDUSTRIAL LICENSED LENDERS' ASSOCIATION.

NATIONAL OFFICERS, 1918-1919.

Chairman, J. H. Dyer, 404 Bank of Commerce Bldg., Columbus.
Treasurer, J. H. Aufderheide, 860 Lemcke Annex, Indianapolis.
Secretary, G. W. Kehr, 204 Chestnut St., Harrisburg.

VICE-CHAIRMEN.

Conn.—H. R. Griffen, 113 Church St., New Haven.
Ill.—L. C. Harbison, 81 E. Madison St., Chicago.
Ind.—A. C. Broughman, 304 Marion Natl. Bk. Bldg., Marion.
Iowa.—T. J. Harrison, 115½ E. 4th St., Waterloo.
Md.—William Young, 419 Munsey Bldg., Baltimore.
Mich.—F. E. Stroup, 507 Commercial Bank Bldg., Grand Rapids.
N. J.—J. W. Whitstone, Frost Bldg., Plainfield.
Ohio.—J. H. Dyer, Esq., 404 Bank of Commerce Bldg., Columbus.
Pa.—A. S. Ezekiel, 1033 Chestnut St., Philadelphia.
R. I.—W. G. Wood, 268 Westminster St., Providence.
Va.—J. H. Hancock, 412 E. Marshall St., Richmond.
Unorganized States.—R. M. Rutherford, 202 Coleman Bldg., Louisville, Ky.

CONNECTICUT.

We extend a hearty welcome to the Connecticut Industrial Licensed Lenders Association, which was recently organized and elected as an affiliated member of the American Industrial Licensed Lenders Association. The organization of the Connecticut Association is due to the splendid efforts of Mr. E. P. East who was very active in securing legislation at the last Connecticut Legislature, which resulted in the enactment of the Uniform Small Loan Law. The Association starts with the following members and officers:

Equitable Industrial Loan Society, 757 Main St., Hartford, Conn.

Equitable Industrial Loan Society, 44 Bank St., Waterbury, Conn.

Equitable Industrial Loan Society, 113 Church St., New Haven, Conn.

Equitable Industrial Loan Society, 83 Fairfield Ave., Bridgeport, Conn.

F. M. Jackson, 949 Broadway, New York City, associate member.

H. R. Griffin, Chairman, 113 Church St., New Haven Conn.

H. G. McMullin, Secretary, 757 Main St., Hartford, Conn.

S. K. Sturr, Treasurer, 83 Fairfield Ave., Bridgeport, Conn.

It is hoped that the association will grow in numbers and usefulness to the public which it seeks to serve.

COMMUNICATIONS.

WATERLOO, IOWA, Aug. 1, 1919.

DEAR MR. KEHR:

After carefully reading the article entitled "Coöperation," by Mr. L. T. Baker, of Chicago, which came as a supplement to the NEWS this month, I wish to indorse each and every item contained therein. With efficient and broad-minded officers behind the policies of our state and national association, I can see some future for the loan business.

Yours very truly,

J. J. DUKE,
Mgr., Waterloo Loan Co.

PENNSYLVANIA.

The Superior Court, in an opinion by President Judge Orlady, reversed the Court of Common Pleas of Butler County in the case of Paul R. Kemper v. Sarah Richardson. The plaintiff is a money lender and had agreed to lend $200 to a son of the defendant if his mother would go his security. The plaintiff traveled twelve miles into the country to get Mrs. Richardson, who is a woman seventy-six years of age, to sign a new note for the $200, meeting her in a field at an old oil rig away from her home, where she signed the note. She received no benefit from the loan to her son. Subsequently, when the loan was not repaid by her son, the plaintiff brought suit and obtained judgment against the mother in the lower court. A rule to open this judgment was subsequently discharged.

Judge Orlady, in reversing the lower court, says: "The law has safeguarded the property of a married woman from designing practices and has specifically provided the only way by which she is permitted to bind her real estate. Taking the undisputed facts of this record, a jury would be warranted in finding that the transaction between Kemper and the son were transparent devises adopted by them to evade an expressed statutory enactment." The lower court had ruled in favor of the money lender.

INDIANA.

Pursuant to its publicity campaign, the Indiana Association inserted last month in the principal dailies of the state, the following copy which was set up in display type and occupied about seven and one-half inches double column space:

ATTENTION, READERS.

What Opinion Have You Formed of the Loan Business?

Your opinion of this necessary business may be erroneous. We want you to know how the business is being conducted to-day as compared in years gone by.

First. LEGISLATION: Legislation regulating the rate of interest on loans of this class has been enacted by over half of the states of the Union, including the State of Indiana. Formerly there were no laws governing charges made by lenders and some lenders were inclined to take advantage of the needy borrowers.

Second. SUPERVISION: To-day the loan business is regulated by the state. Each company must be bonded and licensed before making loans. The auditor of state's office is empowered to inspect the business at all times.

Third. INTEREST: The rate of interest permitted under the laws of this state is 3½ per cent. per month. After first glance this rate seems high, but practical experience by charitable and philanthropic enterprises has proven this rate to yield only a fair return on the investment.

Fourth. BASIS OF OPINION: A good many people compare the business with banks, the business should be compared with the mercantile business, inasmuch as they loan their own money, the average loan being fifty dollars, the maximum loan is three hundred dollars. The overhead expense in this necessary business is just as high proportionately as any mercantile business.

You may ask why these facts are given. It is a two-fold purpose.

First. That the wrong opinion held may be corrected.

Second. That a good many people find it necessary to seek financial assistance, but hesitate to go to a loan company on account of the false impression of the business.

The Indiana Industrial Licensed Lenders Association was formed with the idea of putting the loan business on such a high plane that it will favorably compare with any financial institution.

Practically every city or town in the state has a licensed lender who is a member of this Association.

SERVICE DEPARTMENT. The Association maintains a service department where any complaint will be investigated and held in strict confidence. Address, The Secretary, 860 Lemcke Annex.

INDIANA INDUSTRIAL LICENSED LENDERS ASSOCIATION.

OHIO.

It is with pleasure we announce the enrollment of three more members elected at the annual meeting of the Ohio Association held at Cedar Point, last month. Their names and addresses follow:

R. M. Royer, Paulding, Ohio.

Tuscarawas Valley Finance Co., New Philadelphia, Ohio.

W. E. Hamlin, 304 W. Superior Ave., Cleveland, Ohio.

HOME LOAN BANKING.

Bills for the facilitation of loans for the purpose of home building are now pending before the Senate committee on banking and currency, and were scheduled to be considered by the committee during the week of July 21.

SITUATION WANTED.

Position as manager of an industrial loan office.

H. R. WALLACE,
536 South Main Street,
South Bend, Indiana.

ILLINOIS.

Despite the heat, twenty-seven members were present at the quarterly meeting of the Illinois Association, held at Hotel Morrison, Chicago, July 25. Treasurer Breen reported a balance of $758.92 cash on hand, with no unpaid bills. He stated that considerable money was due the treasury, as only thirty-six members had paid their annual dues to date. The chairman requested the treasurer to notify all delinquent members that immediate payment of dues was desired.

The membership committee reported favorably on the application of one new member and advised the resignation of an old member who sold his business.

The minutes of the executive committee meeting held May 15 were approved as read.

Charles R. Napier, Esq., counsel of the Illinois Association, read a letter received by a member from attorneys representing a railroad, in which they advised that an assignment of wages running to or drawn upon Walker D. Hines, director of railroads, would be honored.

Inasmuch as the transfer of railroads to private ownership is contemplated, there is some confusion as to just how the assignment should be made out, as Mr. Napier states that an assignment originally drawn on Walker D. Hines would not hold as against the railroad company after a transfer from the Government is made. Mr. Napier talked at length, giving many sidelights on the subject, but it was finally concluded that possibly there was no definite rule in the matter and that an assignment drawn either way might be honored and depended upon the official to whom it is presented.

Mr. Napier then took up the question of his joint efforts with Mr. Harbison toward having a special division appointed in the Chicago Association of Commerce to consist of members of our organization. These men have practically accomplished their object and deserve much credit as it is no easy task to get such a distinction in so large an organization.

Under correspondence and general discussion, a very interesting letter was read, directed to Chairman Harbison, from a loan man in Scotland. He inquired as to our association work and advised that there are no regulatory laws in Scotland. His letter was unique, interesting, and somewhat amusing. Letters from Mr. Zumpfe, Chairman of the National Membership Committee, were read, and his methods and activities were commended.

After discussion of the Zumpfe letter, a letter bearing date of June 9, 1919, from D. S. Robinson, State Loan Company, of Galesburg, member of our association, was read, in which he complains of a licensee doing an illegal business in his town. He requested that the association advise what course to take in case the mortgagee attempts foreclosure. Through this office, Mr. Robinson was assured that we were interested and that he could depend upon vigorous coöperation from the associathrough through its executive committee, and was requested that he send us further data in the matter.

A suggestion from Mr. Broughman, chairman of the Indiana Association, that skip blanks be printed by each association and sent with account for collection to out-of-town offices was discussed, and our members recommended that this be taken up at the National Convention, with the suggestion that the National Secretary have such blanks printed and sell same to the individual members, and that the National Secretary's office also have a skip exchange bureau. It was also recommended that a minimum charge of 10 per cent. and a maximum charge of 20 per cent. be determined as a proper fee for collecting out-of-town accounts.

The following officers were then elected: Chairman, L. C. Harbison; vice-chairmen, T. B. Ward and Fred Snite; secretary, L. T. Baker; treasurer, Claude Davis; members of executive committee, John Green, Charles Turgrimson, N. G. Chandler, from Indianapolis, F. E. Tyson, of Danville, Ill.

A motion was then made by T. B. Ward and carried that the secretary be authorized to draw $25.00 a month from the association treasury to assist in defraying expenses of his office.

The following men were elected as delegates to attend the National Association Convention, to be held in September, at Atlantic City: Mr. Davis, Mr. Skinner, with Mr. Rolph and Mr. Ward as alternates. Messrs. Harbison, Tyson, Henderson and Baker indicated their intentions to attend the convention, and it is hoped that many others will arrange to come. Mr. Harbison advised the association that Mr. Baldwin, of the Department of Trade and Commerce, had signified his intention of attending the annual convention, which is, indeed, good news and the Chicago delegates will feel honored by his presence.

As it had become rather a late hour in the evening, only a short time was left for the discussion of the proposed increased dues, and activities of the National Association. However, the matter was presented, discussed briefly and a vote of approval given. Several members, however, indicated objections, but the delegates were authorized to vote in the matter for this association at the National Convention.

During the evening one of our staunch and dependable members, Mr. Haywood, of the Reliance Loan Co., read a very timely paper, entitled "The Race Question in Chicago." Mr. Haywood has many very clear ideas on the subject, and deserves the gratitude of the association for preparing this paper. Those who heard the poetry prepared by Mr. Haywood's wife and daughter, extend their congratulations and are proud of having such literary genius among our ranks.

We were honored by the presence of Mr. W. G. Chandler, of Indianapolis, who made a few remarks, and whom we are always glad to see.

At this meeting there was no wine, woman and song, but we did have cigarets and ginger ale, and everybody had a hot time, as the temperature was 108 in our shirt sleeves.

KENTUCKY SITUATION.

We are privileged to reprint the paper read by R. M. Rutherford, at the National Federation of Remedial Loan Associations' Convention, held in Minneapolis, in June, this year. The text follows:

At the Atlantic City convention, a year ago, I outlined the situation in Kentucky and gave, in detail, our legislative experiences of the winter before, when the small loan bill, introduced by our association, died in the house rules committee on the last day of the session on account of the activities and political pull of our high-rate friends, after the bill had passed the senate by a substantial majority.

As 1919 is an "off" legislative year in Kentucky, the situation to-day is practically the same as that described a year ago.

Kentucky is still a "back number" so far as up-to-date, progressive and constructive small loan legislation is concerned.

We still have the old time, high rate money lender with us to a certain degree; making loans from $5.00 up, largely on plain notes, without security of any kind, and charging whatever the traffic will bear.

Loans of this character are made in considerable numbers to negroes, who are chronic borrowers, and who, as a rule, are thriftless, unreliable and unworthy of credit. This may also be said of the average white man, who borrows in such small amounts and has no personal property of any kind to offer as security.

The losses, on this class of loans, are heavy, and the opponents of the small loan bill claim that while they would welcome legislation that would legalize and elevate the business, they could not exist on the 3½ per cent. rate, and must, therefore, fight it, in the interest of self-preservation.

Our association is still doing business at the same old stand, under the same legal handicaps, and we are regulating the chattel business as best we can by competition and are gradually accomplishing in this way what our sister states have quickly accomplished by legislative enactment.

Our business has prospered and has shown a steady, conservative growth from year to year, notwithstanding the careful policy we have felt it necessary to observe in granting loans, on account of being unable to collect through process of law a higher rate than 6 per cent. per annum; and having, therefore, to depend upon the honor of the borrower to carry out his part of the agreement. Fortunately, the average borrower is honest, is willing to pay a reasonable price for the needed accommodations, and will not seek to breach his contract if he feels that he is receiving fair and just treatment.

We have relieved thousands of worthy borrowers in need of small loans, who, except for our association, would have been forced to pay the very high rates charged by our competitors; and we have elevated the small loan business to a plane of respectability never before reached in our city.

Realizing that a large class of people were unable to furnish household goods as security for loans, we have recently enlarged our field of usefulness by opening a pledge department, which enables us to reach the class of borrowers heretofore served exclusively by high-rate pawnbrokers.

It is worthy of note that out of the thirty-five societies forming the National Federation sixteen make loans on chattels alone, seven make loans exclusively on pledges, while twelve make loans on both chattels and pledges.

Having more than one-half of its membership (nineteen out of thirty-five) actively engaged in the pledge business, the federation should be vitally interested in dignifying and uplifting this very important branch of the small loan business, and yet the uniform small loan bill specifically exempts licensed pawnbrokers along with banks, trust companies and building and loan associations.

While Kentucky pawnbrokers are required to pay a heavy state and city license and make daily reports to the police department, the law is silent on the subject of "what they may charge," and

the usual rate charged by them is, therefore, 10 per cent. per month, although, as with chattel loans, 6 per cent. per annum is all that could be collected by legal process.

Kentucky has not yet been educated up to the fact that a high license will not regulate the small loan business, for while we are now taxed to death attempts are periodically made to increase this already too heavy burden.

An unsuccessful effort, as a revenue measure, was recently made to increase our annual licenses, which are now as follows:

State chattel loan license, ...	$200
State salary loan license, ...	200
State pawnbrokers license, ...	500
City chattel loan license, ...	200
City salary loan license, ...	200
City plain note license, ...	100
City pawnbrokers license, ...	350
Government pawnbrokers license,	100
Total annual small loan licenses, ...	$1,850

In addition to this, every Kentucky corporation must pay an annual state corporation tax of 50 cents on each $1,000 of its authorized capital stock. And this is not all, for we have to also pay state, county and municipal taxes, to say nothing of government income tax (if there is any income left to tax) and other extras.

In brief, if a company in Kentucky wishes to do the same class of business, the most of you do, its annual overhead expense for license and taxes alone will not fall far short of $2,500. On this account, you can readily see that it is quite difficult for a very small company to operate in Kentucky on what is usually considered a moderate rate.

"Advertising" is another item of heavy expense with us. Our competitors advertise extensively, and we are forced to do likewise. This has especially been true since the organization, about eighteen months ago, by out-of-town promoters, of two companies, which have further complicated the local situation by their methods of advertising.

One company, modeled somewhat after the Morris plan, frequently uses a whole column in our daily newspapers, and advertises "loans on character" at six per cent. per annum. They do not tell the balance of the story, but claim to make loans at this rate in as small amounts as fifteen and twenty-five dollars.

The other company makes loans on diamonds at 2 per cent. per month, and at the same time advertises "loans on character and earning capacity at 6 per cent. per annum." I can't imagine a man, pledging his diamond (unquestioned security) and paying 24 per cent. per annum, when he can borrow from the same company "on his character," without security, at 6 per cent. per annum.

I am not criticizing their real charges, which are doubtless low enough. But this type of advertising has a tendency to increase the already strong prejudice, in Kentucky and throughout the South, against a higher rate than six per cent. It leads the borrowing public to believe that small loans can and should be made at this rate, and it instills into the mind of the general and uninformed public that the small loan business can be conducted on this basis, which everybody, who has given the subject even superficial study, knows to be a financial impossibility.

Is it not a fact that the whole South has been sadly neglected, so far as campaigns of education along this line are concerned? In the matter of constructive small loan legislation, very little has been accomplished. The National Federation has only two members south of the Mason and Dixon line, and only two or three southern states have taken a forward step in the matter of small loan legislation. The most of these states still cling to the ancient and now exploded theory that a high license will drive the high-rate lender out of business. They have not learned from the experience of more progressive states that this is an absolutely necessary business, and should be placed above reproach by legalizing a rate alike just to both borrower and lender. Such legislation induces the right kind of people to engage in the business and competition forces out of it, the unscrupulous lender, who has always found a way to evade the high license, carry on his business under cover, or who, in order to pay the high license, places still greater burdens upon those who out of necessity come to him for relief.

It is true, the South has peculiar problems of its own, the negro population being one of its greatest. While the South is an agricultural section, not densely settled, and the most of its cities are small, there is just as much need in every southern community in proportion to its size, of a place where the laboring classes in times of distress can borrow small sums of money on their chattels, as there is a need of such places in the great industrial centers of the North, East and West. The high-rate lender has recognized this fact, and you will find him firmly intrenched in every southern community. In our near-by city of Lexington, the rich capital of the blue grass country, with a population of 40,000 or less, there are eleven licensed high-rate loan offices and two licensed pawnbrokers. This same condition will be found in the other small cities of Kentucky and throughout the South.

The Morris plan people have recognized the needs of the South and its opportunities, and in nearly every southern city of considerable size you will find a Morris plan bank, while the chattel business is still in the hands of the high-rate lender, and the pledge business in the hands of the high-rate pawnbroker.

The South is now waking up. It is not the "Old South" of a few years ago. It is a land of opportunity. Northern capital is rapidly developing its natural resources and the time is not far distant when the South will be famed as much for its industrial enterprise as it is now justly famed for its agricultural pursuits.

There is much work for the National Federation to do in all sections of the country, but let me urge upon you the needs of the toiling masses in our great southern states, in the hope that each one of you will do whatever you can to promote constructive legislation, not only in Kentucky next winter when the uniform bill is again introduced, but in every southern state where conditions are not what they should be and there is a desire for better things.

NO MORE INTEREST MISTAKES!

The Meilicke Loan Office Time and Interest Calculator.

If you are in business for the convenience of customers only, you do not need the Meilicke Loan Office Time and Interest Calculator, but if you are in business for the interest it can make you, it is indispensable, because it safeguards the very foundation (interest) upon which your business stands.

We refer you to a host of loan offices, large and small, who have investigated this interest department and found it wanting.

A thorough investigation reveals that the interest figuring department is either costing more to take care of than is necessary, or else is found to be leaky, full of errors, and unsatisfactory in general.

The computing of interest involves two distinct operations: Finding the time and determining the amount in dollars and cents. Our machine *eliminates the question of time* and places the answer directly before the operator by merely turning a hand wheel a short distance.

Cheapest reliable help you can hire, best advertising for the office you can buy. If you buy now, it will cost you sixty cents per month as interest on your investment to have one of these machines in your office. How much reliable help can you hire for sixty cents per month, and how much effective advertising can you secure for sixty cents per month? These "machine made" answers carry with them the confidence of your customers. *This machine figures the actual interest on cents as well as dollars.*

Users, large and small, regret they did not secure one sooner and say it is as indispensable as their adding machines. Let us demonstrate this machine to you and help you to put your interest department on a 100 per cent. efficient basis and keep it there. We will send it to you at our expense on a thirty-day trial. Price, f. o. b. Chicago, $125.00.

We have machines in stock now for Illinois, Indiana, Maryland, Maine, Ohio, Virginia, New Jersey, Pennsylvania, Massachusetts, Connecticut and Arizona.

Send for particulars and names of users.

MEILICKE CALCULATOR CO.,
350 N. Clark St., Chicago, Ill.

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INDUSTRIAL LENDERS NEWS

Official Organ American Industrial Licensed Lenders Association Which Is a Member of the Chamber of Commerce of the U. S. A.

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NATIONAL CONVENTION.

The Fifth Annual Convention of the American Industrial Licensed Lenders Association was held at the St. Charles Hotel, Atlantic City, N. J., September 8th, 9th, and 10th. Fifty-one delegates and fifteen states were represented as follows: P. L. Alberse, Paterson, N. J.; J. H. Aufderheide, Indianapolis, Ind.; R. V. Barto, Department of Securities, Columbus, Ohio; L. T. Baker, Chicago, Ill.; James S. Baldwin, Assistant Director, Department of Trade and Commerce, Springfield, Ill.; Howard C. Bryant, Baltimore, Md.; Edw. P. Cropper, Philadelphia, Pa.; W. B. Crunk, Anderson, Ind.; J. H. Dyer, Columbus, O.; Edgar P. East, New York City; J. Sanford Edge, Richmond, Va.; A. S. Edwards, Waterbury, Conn.; A. S. Ezekiel, Philadelphia, Pa.; H. P. Gatter, Philadelphia, Pa.; C. H. Harris, Pittsburgh, Pa.; B. E. Henderson, Chicago, Ill.; Walter S. Hilborn, Russell Sage Foundation, New York City; F. R. Hubachek, Minneapolis, Minn.; E. E. Hougham, Baltimore, Md.; L. C. Harbison, Chicago, Ill.; Fred Huettmann, Chicago, Ill.; A. V. Hart, Philadelphia, Pa.; Tate J. Harrison, Waterloo, Iowa; F. E. Jarvis, Vincennes, Ind.; A. V. Keeney, South Bend, Ind.; G. W. Kehr, Harrisburg, Pa.; W. J. Kirkpatrick, Cleveland, Ohio; W. I. Marsh, Chicago, Ill.; F. B. Merritt, New Brunswick, N. J.; V. D. Moss, Philadelphia, Pa.; Charles R. Napier, Chicago, Ill.; Miss C. A. O'Donnell, Pittsburgh, Pa.; Geo. H. Orth, State Banking Department, Harrisburg, Pa.; Col. D. H. Pond, Cleveland, Ohio; R. M. Rutherford, Louisville, Ky.; Gerald A. Rolfes, Chicago, Ill.; F. E. Stroup, Grand Rapids, Mich.; F. J. Schneider, Cleveland, Ohio; Felix Simon, Paterson, N. J.; J. B. Skinner, Chicago, Ill.; C. H. Stratton, Sullivan, Ind.; C. H. Watts, Philadelphia, Pa., W. P. Woll, Chicago, Ill.; J. N. Woodruff, Cleveland, Ohio; W. G. Wood, Providence, R. I.; E. B. Webster, Philadelphia, Pa.; J. W. Whitstone, Plainfield, N. J.; J. H. Wickstrom, Providence, R. I.; Wm. Young, Baltimore, Md.; W. A. Zumpfe, Indianapolis, Ind.; J. M. Conklin, State Banking and Insurance Department, Trenton, N. J.

The convention proper was preceded by a meeting of the Executive Council, which was held at 8 o'clock, September 7th. At this meeting reports of the Finance and Law Committees were heard and informally discussed. No action was taken by the Executive Council at this meeting on either of these reports but the discussion produced a trend of thought which enabled these two committees to make their formal reports at the convention with a better understanding of what disposition should be made when the matter was referred to in convention.

The convention was called to order promptly at 10 o'clock, Monday morning, September 8th, by the National Chairman, J. H. Dyer. In the absence of the Mayor of Atlantic City or any representative of his department, J. W. Whitstone, chairman of the New Jersey Association, made a brief but happy address of welcome in behalf of the New Jersey, Pennsylvania, and Maryland Associations, which acted as hosts of the convention.

As the minutes of the last convention held at Detroit, were published in the September, 1918, INDUSTRIAL LENDERS NEWS, reading was dispensed with.

The National Chairman then made his annual address, in which he reviewed the progress made by the Association in its short term of existence and pointed out the road to future accomplishments. One of the striking paragraphs in his address, which will be published in full in the Year Book together with all the other proceedings in detail, is as follows:

"I do not believe that any of us predicted or anticipated the success that has come to our Association during the past five years; that much has been done to elevate the small loan business both in practice and in public opinion, is demonstrated by the passage of laws in a dozen states, which in operation have been so satisfactory that nothing but favorable commendation comes from every source of information. So rapid has been the transformation of this buisness from one of disrepute to public confidence and respect that we scarce can believe it to be the same business. We have almost relegated the old common descriptive term of 'loan shark' to oblivion.

Before the "St. Charles epidemic" got W. A. Zumpfe, he made his report as chairman of the Membership Committee, a position which he has occupied only since last April, in which he stated according to the records furnished him that the past year had brought 27 new members into the organization, 43 resignations, leaving a total enrollment of 325 members. In pointing out the ways and means of increasing our membership, all of which seemed practicable and possible, Mr. Zumpfe said:

"Our membership should show a substantial increase each year. It is important, therefore, that a membership campaign be carried on vigorously and be given support by each member of our organization. The membership *can* be increased by an effort of this kind."

Although seriously ill for a day during the convention, with the aid of a doctor at $10 per call, and Mrs. Zumpfe's careful attention, Mr. Zumpfe when last seen had fully recovered and was able to enjoy three "squares" per day. Others afflicted with the same malady appear to have recovered their normal health.

W. P. Woll, chairman of the Committee on Legislation, briefly reviewed the results of the past year in the legislatures in which legislation affecting the industrial loan business was considered. Relative to Connecticut Mr. Woll had this to say:

"After a very strenuous time and finally defeating the Ideal law of the Legal Reform Bureau, Mr. East was successful with the coöperation of the Russel Sage Foundation in having the Uniform Small Loan Law enacted in that state."

The report of the Law Committee by F. R. Hubachek, referred almost exclusively to the possible attention that may be given by the National Conference of Commissioners and Uniform State Laws to the subject of industrial loan legislation. Mr. Hubachek pointed out the importance of the American Industrial Licensed Lenders Association participation in the consideration of this subject and emphasized the necessity of educating this body to the importance of uniform legislation on this subject.

Being unable to be present, the report of R. F. Hartz, chairman of the Committee on Publicity, was read by the National Secretary. Mr. Hartz referred to the activities of this branch of our work, citing examples of success in Pennsylnania and Indiana during the past year. He concluded his report with the request that an appropriation be authorized with which to carry on a national campaign of educational publicity.

L. T. Baker, chairman of the Finance Committee, supplemented his paper, "Coöperation," which was read at the annual meeting of the Ohio Loan Association and printed as a supplement to the INDUSTRIAL LENDERS NEWS, by offering several plans proposed by his colleagues, by which the revenue and efficiency of the American Association might be increased. No action was taken on Mr. Baker's report at this time, except a formal motion of thanks was extended to him, as it was to all the other committee chairmen and officers who made reports for the labor, interest and study that they had taken in the important work assigned to them during the past year.

The National Secretary, G. W. Kehr, reviewed the activities of his office for the past year and brought to the attention of the convention some favorable recognition of the organization's work from outside sources. He also emphasized the handicaps under which he had to work during the past year on account of lack of funds with which to do the

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Correspondence and items intended for publication should be addressed to Geo. W. Kehr, 204 Chestnut St., Harrisburg, Pa.

Communications cordially invited.

AMERICAN INDUSTRIAL LICENSED LENDERS' ASSOCIATION.

NATIONAL OFFICERS, 1919-1920.

Chairman, C. H. Stratton, Sullivan, Indiana.
Treasurer, J. H. Aufderheide, 860 Lemcke Annex, Indianapolis.
Secretary, G. W. Kehr, 204 Chestnut St., Harrisburg.

VICE-CHAIRMEN.

Conn.—H. R. Griffen, 113 Church St., New Haven.
Ill.—L. C. Harbison, 81 E. Madison St., Chicago.
Ind.—A. C. Broughman, 304 Marion Natl. Bk. Bldg., Marion.
Iowa.—T. J. Harrison, 115½ E. 4th St., Waterloo.
Md.—William Young, 419 Munsey Bldg., Baltimore.
Mich.—F. E. Stroup, 507 Commercial Bank Bldg., Grand Rapids.
N. J.—J. W. Whitstone, Frost Bldg., Plainfield.
Ohio.—J. H. Dyer, Esq., 404 Bank of Commerce Bldg., Columbus.
Pa.—A. S. Ezekiel, 1033 Chestnut St., Philadelphia.
R. I.—W. G. Wood, 268 Westminster St., Providence.
Va.—J. E. Edge, 202 N. 1st St., Richmond.
Unorganized States.—R. M. Rutherford, 202 Coleman Bldg., Louisville, Ky.

important work, and stated that at the time the report was made, there were but 264 members in good standing out of a total enrollment of 325, leaving 61 members delinquent in the payment of their dues.

The National Treasurer, J. H. Aufderheide, reported the following receipts and disbursements for the year ending September 5th:

RECEIPTS.

Cash balance, Sept. 5, 1918, ...		$595 50
Dues paid by California Ass'n,		75 00
" " " Connecticut "		25 00
" " " Illinois "		475 00
" " " Indiana "		660 00
" " " Iowa "		280 00
" " " Maryland "		160 00
" " " Michigan, "		95 00
" " " New Jersey "		50 00
" " " Ohio "		610 00
" " " Pennsylvania "		920 00
" " " Rhode Island "		85 00
" " " Virginia "		20 00
" " " Individuals, ...		340 00
Advertising in LENDERS NEWS, .		7 00
Subscriptions to LENDERS NEWS,		42 44
Subletting part of office, ...		26 25
Sale of Year Books, ...		205 00
		$4,671 19

DISBURSEMENTS.

Traveling expenses, ...	$244 04
Office rent, ...	180 00
Salaries and services, ...	2,350 00
Stationary supplies, postage, ...	362 07
Miscellaneous expenses, ...	106 67
Printing LENDERS NEWS, ...	304 70
Printing Year Book, ...	116 85
Balance, Sept. 5, 1919, ...	1,006 86

E. P. East, chairman of the Auditing Committee, vouched for the accuracy of the National Treasurer's report.

The afternoon session of the first day of the convention was opened by the reading of a paper by Walter S. Hilborn, Acting Director, Division of Remedial Loans, Russell Sage Foundation, New York, on the subject, "The Year's Progress and the Uniform Law." Mr. Hilborn recounted numerous activities of the department of work of which he now has charge for the Sage Foundation, and ended with this important statement:

"My experience shows me that the advice and support of the Foundation is of the greatest influence in securing the enactment of the Uniform bill, but that its influence alone is not sufficient to secure its enactment, and that the advice, support and assistance of public spirited local agencies, and the demonstration of the local need, is of greater importance."

"The Need of the Industrial Loan Institutions in Reconstruction" was the subject discussed by R. M. Rutherford, manager of the Peoples Provident Association, Louisville, Ky. In addition to being an active member of our organization, Mr. Rutherford is also a member of the Executive Committee of the National Federation of Remedial Loan Associations. His subject was treated authoritatively and exhaustively. His concluding remarks were as follows:

"It has been about ten months since the armistice was signed, and yet there has been no decrease in the legitimate demand for small loans. With scarcely an exception, those engaged in the business report an increase in applications. There was a steady demand before the war, this demand continuing during the busy months of war, and an even more insistent demand has come with reconstruction days. These facts alone should be sufficient to prove to any unbiased mind that there is just as firmly an established place for the institution which supplies this vital necessity in times of stress, as there is for the mercantile establishment which supplies the many articles of comfort demanded by our modern civilization."

Although R. V. Barto, Chief Inspector, Chattel Loan Division, Department of Securities, Columbus, Ohio, was the only state officer at the convention represented to discuss any assigned subject, we were honored by the presence of and pleased with the complimentary remarks of James S. Baldwin, Assistant Director of the Department of Trades and Commerce, Springfield, Ill.; J. M. Conklin, of the New Jersey Banking and Insurance Department, and George H. Orth, of the Pennsylvania State Banking Deparement. Mr. Barto discussed many subjects in "Observations of an Examiner." What Mr. Barto had to say on the subjects of "Organization," "Close Relations With State Department," "Elimination of Loan Shark Methods," "Participation in Community Life," "Managers." "Clear Explanation to Borrowers," "Strict Compliance with Contract," "Examinations," will be worth the price of $1.00, which will be asked for the Year Book in which this paper will be published in full. Let us quote just briefly from Mr. Barto's paper on the subject of "Organization" in order that those who could not hear Mr. Barto discuss this subject may learn the character of his paper.

"This convention clearly illustrates the advantages accruing to all those who attend and it is not possible that any one could leave this gathering and not be an enthusiastic booster of your organization. In estimating the value of your state and national organizations to each member you must not lose sight of the advantage to each and every one and also to the state supervising officials and examiners of having one concrete body to discuss mooted questions."

The Tuesday morning session was opened by Mr. L. C. Harbison, who read a paper on the subject of "The Justification of the 3½% Per Month Rate for Small Loans." Mr. Harbison's paper proves that the industrial loan business cannot be conducted at a lower rate if the lender is to have a sufficient income with which to pay operating expenses and losses and get a fair return on his investment. Mr. Harbison admits that it may be possible in large industrial cities where it is possible to lend a large sum of money to make more than what is popularly known as a fair return on the investment. He also points out that to lower the rate in any state means the elimination of the service in small communities where the service is just as much needed because at a lower rate it would be impossible to conduct the industrial loan business and secure a profit on the risk taken in the smaller cities. He also ventured the opinion that no state law regulating this subject could be legislated in the interest of the large cities only, and still be held constitutional. Let Mr. Harbison speak to you with just one sentence.

"I think now that you will all agree with me, that the greatest good to the largest number, lenders and borrowers, are served in those states where the 3½% rate is legalized by statutes which have been carefully drawn and which have passed the scrutiny of the higher courts."

In discussing the subject "Are Losses Increased by Small Payments and Long Time Contracts?" E. E. Hougham, of Baltimore, attempted to point out the danger which may emanate from the continual acceptance of interest month after month and the extension over extraordinary long time of loans which should ordinarily be paid under normal conditions in twelve months or less. Reading this and all the other papers which were read at the convention will be to those interested in the subject like taking a course in industrial loan economics in the university of experience.

E. P. East, the miracle man of the past year so far as accomplishment of important results are concerned, summed up his feat, "The Enactment of the Uniform Law in Connecticut," in the one word, "*work*," but he had more to say than that and paid grateful tribute to the Division of Remedial Loans of the Russel Sage Foundation, Deputy Commissioner of Banking of Pennsylvania, J. W. Morrison; the Bank Commissioner, J. D. Downes, Maryland, and others who assisted him in the enactment of the Uniform Law in Connecticut. Mr. East's campaign, the way it was carried out, and the success that resulted, is bound to be most helpful in the future enactment of industrial loan legislation where it is still needed.

Many of the delegates had their eyes opened by the paper of Colonel D. H. Pond, entitled "The Small Loan Company a Community Asset," the president of the Economy Building and Loan Company, Cleveland, Ohio, when he

showed the great field that lies ahead in social service work in which it is possible for the industrial loan company to participate, if the managers or heads will coöperate with local welfare bodies. Let me quote just one paragraph of Colonel Pond's paper in order that the possibilities of this subject may be better understood.

"Become part of your community Social Service; get acquainted with every social service agency in your city; know the directing head and see that he knows you. Be sure he knows what you are doing, how you have been treating your clients, what your charges are, and why they are over 6% per annum. Don't be the least bit backward about approaching them, they know your value; but it is your work and your duty and opportunity to let them know you are living up to *that portion of the community need that you are supposed to fill and are doing it in a social service manner.*"

W. P. Woll, representing interests in the South, backed up with many years of practical experience, answers the subject which he was assigned to discuss with the one word *"No."* His subject was, "Do the Conditions of the South Warrant a Higher Rate than the Uniform Rate?" Order copies of the Year Book now to be sure that you get the benefit of Mr. Woll's punch which followed his exclamation "No" at the beginning of his paper.

No one but a real scribe could do justice in attempting to sum up briefly the good stuff contained in the paper read by W. G. Wood, which the writer has given the subject, "The Success of the A. A. is Dependent Upon Each Individual Member's Active, Hearty Coöperation." Some members heretofore have attempted to cover this subject, and none has succeeded as well as Mr. Wood in putting the force and knowledge into it that he has. Take a glance at his opening paragraph and imagine for yourself what followed in his able discussion of this subject.

"The intention of this talk is to dig immediately, and the *hope*, is to dig *deep enough*, to arouse an enthusiasm in the individual, which if it *can* be aroused, is certain to be followed by action, so that this Association, without any delay, may rise to its full power, a power which *should* be measured by the *total* of its membership and not, as it is now and *has been* up to this time, measured *only*, by the power *derived from*, the few who are willing to bestir themselves."

Everybody who attended the convention attended the banquet Tuesday evening, at which the National Chairman acted as toastmaster, and to which the ladies were invited. The following ladies were noted present: Miss C. A. O'Donnell, Mrs. A. S. Ezekiel, Mrs. W. A. Zumpfe, Mrs. G. H. Orth, Mrs. Fred Huettmann, Mrs. H. P. Gatter, Mrs. F. E. Stroup, Mrs. C. H. Watts, Mrs. B. E. Henderson, Mrs. J. H. Dyer, Miss Dyer, Mrs. G. A. Rolfes, Mrs. J. W. Whitstone, Mrs. P. L. Alberse, Mrs. Felix Simon, Mrs. G. W. Kehr, Mrs. J. B. Skinner, Mrs. J. H. Wickstrom, and Mrs. F. J. Schneider.

The singing and dancing by the professional talent employed by the committee in charge was very much enjoyed by all who attended the banquet. The speakers and their subjects follow:

"Indiana"—Publicity Experts—C. H. Stratton; "Kentucky"—At Rest—July First—R. M. Rutherford; "Connecticut"—Last One In—E. P. East; "Maryland"—Little Willie's Home—Howard Bryant, Esq.; "Ohio"—President Makers—R. V. Barto; "Michigan"—Henry's Home—F. E. Stroup; "Rhode Island"—Little, but Oh!—W. G. Wood; "Illinois"—Corn Fed—L. T. Baker; "Virginia"—Noted for Hams—J. S. Edge; "Iowa"—Farthest West—T. J. Harrison; "Pennsylvania"—Quaker Made—C. H. Watts; "New Jersey"—They Eat You Alive—P. L. Alberse.

Those who were fortunate enough to attend this affair may have some difficulty in deciding which state represented made the best hit, and where we should hold our next annual convention. One thing is certain, that no state suffered on account of its representative. Each state boasted of something better than the other.

Mr. Harry E. Clark, whose excellent bass voice was one of the most delightful features of the banquet, sang with marked effect, "The Mighty Deep," "Just a Wearyin' For You," and "The Bell in the Lighthouse." This banquet in addition to being entertaining from every standpoint, unearthed the fact that we have in our organization much talent unknown before. "Little Willie" Young, accompanied by "Slick" Whitstone, attempted to sing "My Maryland" with rather embarrassing results, but let "J. W. W." give you his impressions under the head of "Convention Echoes."

The convention was continued Wednesday morning with reports from the Committee on the Revision of the Constitution and By-laws, and the Finance Committee. These committees continued their work and made their final report at the afternoon session, at which time the new constitution and by-laws were adopted and the report of the Finance Committee incorporated in that section which refers to dues. It is the purpose of the National Secretary to accompany the INDUSTRIAL LENDERS NEWS with a copy of the new constitution and by-laws, which were adopted. Attention is called to that section which refers to dues. If additional information is required by any member, write the National Secretary.

Under the new constitution and by-laws, the following officers were elected: National Chairman, C. H. Stratton, Sullivan, Ind.; National Treasurer, J. H. Aufderheide, Indianapolis, Ind.; National Secretary, G. W. Kehr, Harrisburg, Pa., who together with W. G. Wood, chairman of the Finance Committee, Providence, R. I., and R. M. Rutherford, chairman of the Committee on Legislation, Louisville, Ky., were elected to form the new Executive Committee of five, upon whom the responsibility of carrying out the plans of the Association for the coming year, rests. E. P. East, New York; W. A. Zumpfe, Indianapolis; F. R. Hubachek, Minneapolis, A. V. Hart, Philadelphia, were elected chairmen of the Auditing, Membership, Law, and Publicity Committees, respectively. The compensation for the National Secretary was fixed for the ensuing year.

J. H. Dyer, who has ably filled the office of National Chairman for the past two years, like Washington, declined the nomination for a third term.

A rising vote of thanks was extended to all of the officers and the tri-state committee which was responsible for the success of the convention. Congratulations to the tri-state committee, which showed the members how to run a convention and make every one happy and contented. This committee was the recipient of many compliments for the able way in which it looked after all the details of the convention.

The New York Association was dropped from the list of affiliated State Association members on account of nonpayment of dues.

NEWS ITEMS.

FLORIDA.—Governor S. J. Catts in his message to the regular session of the legislature of 1919 made a recommendation in respect to small loan legislation, as follows: (pp. 37-38.)

LAW AGAINST LOAN SHARKS.

These men, who engage in the loan business, whether it be furniture, commodities, or other commercial goods of value, have pushed their charges to such an extent that in this state they are seldom less than 33-1/3 per cent. a month, and the practice is to charge three monthly payments of $5.00 each for a loan of $10.00. They generally have a considerably higher rate, especially upon risky loans, and the lowest rate ever charged is 10% per month, which in a year would be 120%. These rates show how a law will work, which allows only the big rate of interest with no other interest legalized for risky loans of this class. You gentlemen realize that no law can make anybody conduct a business at a loss and the proprietors of other legitimate business are entitled to proceeds which ought to be legalized. There is no doubt that the small loan business is a legitimate one and will persist, whatever the laws may be, but we should protect our people against the fierce encroachment of the loan sharks, who are doing business in this state. The governor, therefore, calls the attention of you gentlemen to the necessity of framing some law and putting it upon the statute books at this session, which will safeguard, as far as possible, the interests of the people of this state against these loan sharks.

MASSACHUSETTS.—Chapter 350 of the General Acts of Massachusetts, approved July 23, 1919 (to organize in departments the executive and administrative functions of the commonwealth), affects the small loan business in that state in the following particulars:

Section 45. The office of bank commissioner, existing under authority of chapter two hundred and four of the acts of nineteen hundred and six, and chapter five hundred and ninety of the acts of nineteen hundred and eight, the office of supervisor of loan agencies, existing under authority of chapter seven hundred and twenty-seven of the acts of nineteen hundred and eleven, and the office of the insurance commissioner, existing under authority of chapter five hundred and seventy-six of the acts of nineteen hundred and seven, are hereby abolished. All the rights, powers, duties and obligations of said offices are hereby transferred to and shall hereafter be exercised and performed by the department of banking and insurance es-

tablished by this act, which shall be the lawful successor of said offices.

Section 46. The department of banking and insurance shall be organized in three divisions,—namely, a division of banks and loan agencies, a division of insurance, and a division of savings bank life insurance. Each division shall be in charge of a commissioner, who shall be known, respectively, as the commissioner of banks, the commissioner of insurance, and the commissioner of savings bank life insurance.

Section 49. The commissioner of of banks shall exercise the functions of the bank commissioner and of the supervisor of loan agencies, as now provided by law. He shall also be a member of the board of bank incorporation, as heretofore provided. He shall be appointed by the governor, with the advice and consent of the council. The first appointment shall be for the term of one, two or three years, as the governor may detremine. Thereafter the governor shall appoint the commissioner for the term of three years, shall fill any vacancy for the unexpired term, and may, with the consent of the council, remove the commissioner. He shall possess the qualifications and give the bond required of the bank commissioner under chapter two hundred and four of the acts of nineteen hundred and six, and under chapter five hundred and ninety of the acts of nineteen hundred and eight, and shall receive such annual salary, not exceeding five thousand dollars, as the governor and council may determine. The commissioner may, with the approval of the governor and council, appoint and remove a deputy as supervisor of loan agencies, and may, subject to the civil service laws and rules, where they apply, appoint and remove such clerical and other assistants as the work of the division may require, and, subject to the provisions of chapter two hundred and twenty-eight of the General Acts of nineteen hundred and eighteen, and rules and regulations made thereunder, and to the approval of the governor and council, where that is required by law, fix the compensation of the said persons.

The above provisions take effect December 1st next, and will make no difference in the small loan law or in the administration of it, and so far as known will require no change of official personnel.

Partial List Where Large Machine (Style 25D) is now in use:

ILLINOIS—CHICAGO
Chicago Mortgage Loan Co.
Fidelity Loan Co.
Chicago Discount Co.
Fidelity Loan Co., Englewood
Citizens' Loan Association
Chicago Finance Co.
Arthur Greene
Illinois Investment Co.
Mason Financial Co.
Chicago-Household Loan Co.
Baker & Co.
Local Loan Co. (2)
Commercial Loan & Guaranty Co.
C. C. Erd
Imperial Credit Co.
Beneficial Trust for Loans
American Loan Co.
Fidelity Loan Co., Rockford
State Loan Agency, E. St. Louis
East St. Louis Loan Co., E. St. Louis
Fidelity Loan Co., Springfield
State Loan Co., Peoria
Fidelity Loan Co., Peoria
Fidelity Loan Co., Rock Island
Fidelity Loan Co., Decatur
Joliet Loan Co., Joliet
Fidelity Loan Co., Freeport

INDIANA
Security Mortgage Loan Co., Indianapolis
Fidelity Loan Co., Indianapolis
American Loan Co., Evansville

OHIO
Cleveland-Household Loan Co., Cleveland
Citizens' Finance Co., Cleveland
Cincinnati Collateral Loan Co., Cincinnati

PENNSYLVANIA—PHILADELPHIA
Household Loan Co.
Security Loan Co.
National Loan Society
Guarantee Loan Co., 2700 Germantown Ave.
Guarantee Loan Co., 7 W. 52d St.
Guarantee Loan Co., 23d St. and Ridge Ave.
Guarantee Loan Co., 101 S. 13th St.

PITTSBURGH
Guarantee Loan Co.
Household Loan Co.
Citizens' Loan Co.
Beneficial Loan Society
Guarantee Loan Co., Reading
Household Loan Co., Reading
Central Loan Co., Scranton
Guarantee Loan Co., Scranton
Guarantee Loan Co., Wilkes-Barre
Mutual Loan Co., Lancaster

MARYLAND—BALTIMORE
People's Loan Society
Chesapeake Loan Co.
Central Loan Co.
Household Loan Co.

NEW JERSEY
People's Finance Co., Newark
People's Finance Co., Jersey City
Beneficial Loan Society, Elizabeth
Beneficial Loan Society, Newark
Beneficial Loan Society, Jersey City

VIRGINIA
Citizens' Loan Society, Richmond
Citizens' Loan Society, Norfolk
Beneficial Loan Society, Richmond

MICHIGAN
Beneficial Loan Society, Detroit
Detroit Mortgage Loan Co., Detroit

Partial List Where Small Devices (Style U, 199-day, 60-day and 35-day) are now in use:

ILLINOIS—CHICAGO
Union Investment Co.
Citizens' Loan Assn.
Carl M. White
Arthur Erd
Reliance Loan Co.
Guarantee Loan Co.
People's Loan Society
A. H. Lenz & Co.
Fidelity Loan Co., Danville (2)
State Loan Co., Aurora
State Loan Co., Joliet
State Loan Co., Elgin
Peoria Loan Co., Peoria
National Loan Co., Peoria
Springfield Loan Co., Springfield
State Loan Agency, E. St. Louis (2)
National Loan Co., Blomington
National Loan Co., Canton

INDIANA—INDIANAPOLIS
American Loan Co.
Model Loan Co.
W. A. Zumpfe (2)
J. H. Aufderheide (2)
Indiana Collateral Loan Co.
State Loan Co.
Capitol Loan Co. (2 offices)
Interstate Collateral Loan Co.
Jefferson Loan Co., Madison
Central Loan Co., Kokomo
Miami Loan Co., Peru
Provident Loan Assn., Elkhart
Provident Loan Assn., Hammond
Provident Loan Assn., Michigan City
Provident Loan Assn., So. Bend
Security Loan Co., South Bend
Legal Loan Co., Logansport
Legal Loan Co., Marion
Legal Loan Co., Kokomo
Indiana Loan Co., Anderson
Fort Wayne Loan Co., Fort Wayne
Richmond Loan Co., Richmond
Security Loan Co., Terre Haute
Terre Haute Loan Co., Terre Haute
Indiana Loan Co., Terre Haute
Capitol Loan Co., Shelbyville
Brazil Loan Co., Brazil
Security Loan Co., Goshen
Capitol Loan Co., Frankfort
Fidelity Loan Co., Sullivan
Greene County Loan Co., Linton

PENNSYLVANIA
Provident Loan Co., Philadelphia
National Loan Society, Philadelphia
Beneficial Loan Society, Philadelphia
Provident Loan Co., Sharon
Lancaster Loan Co., Lancaster
Columbia Loan Co., Pittsburgh
People's Loan Co., Pittsburgh
C. H. Harris, Pittsburgh
Union Loan Co., Greensburg
Union Loan Co., Beaver Falls
Union Loan Co., Oil City

MARYLAND
Surety Guarantee Co., Baltimore (2)
Beneficial Loan Society, Baltimore

OHIO
Capitol Loan Co., Columbus (2)
Springfield Loan Co., Springfield (2)
Lima Loan Co., Lima (2)
Lima Loan Co., Kenton
Lima Loan Co., Findlay
Urbana Loan Co., Urbana
Capitol Loan Co., Lancaster
Beneficial Loan Society, Cincinnati
Beneficial Loan Society, Columbus
Beneficial Loan Society, Cleveland

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INDUSTRIAL LENDERS NEWS

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Official Organ American Industrial Licensed Lenders Association Which Is a Member of the Chamber of Commerce of the U. S. A.

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CONVENTION ECHOES.

Wonder if Judge Dyer's suavity in bringing us to order can be delegated? not to mention his ability as a civil mediator.

Why did Atlantic City's mayor prefer to welcome the undertakers instead of the "live ones" at the St. Charles.?

Was Whitstone in his address of welcome . trying to win laurels from Hougham as to "brevity being the soul of wit"?

And to think that Brother Hubachek should be called away at such a critical hour.

S. O. S. (same old stuff) of the St. Charles never deterred Brother Baker for a moment in his effort to bring home the "bacon."

Why didn't the toastmaster call on Brother Kehr to tell us something about the statuary adorning the capitol at Harrisburg?

And how can we account for the only dissenting vote on Brother Aufderheide came from the National Treasurer?

And was there a member present who did not drink deeply of the interesting "paper" that Brother Harbison read?

And did not Brother East show plainly that "responsibility always gravitates to the one who can shoulder it"?

But who could have surprised us more than Colonel Pond with his timely topic, an unthoughtof "Community Asset"?

Messrs. Barto, of Ohio; Baldwin, of Illinois; Orth, of Pennsylvania, and Conklin, of New Jersey, gave us the "O-O" from a bank examiner's viewpoint and, did we not all feel proud to hear such satisfactory reports concerning our effort to further dignify the business?

And can we ever forget the statesmanlike attitude of Brother Woll as he wised us up on "uniformity"?

And just why Brother Rutherford held our attention to the advantages of Kentucky and deviated from "July First" still lingers.

And when Brother Bryant let us all in on what Baltimore has to offer, where were the "objectors" to that being the next convention town?

Rather inclined to think that "Young & Whitstone" will have to get together more frequently if they want to pull that musical "sketch" stuff at the next meeting.

Was it not generally felt that our destiny is in good hands particularly, by the original remarks of Brother Stratton?

And did not Brother Barto surely prove to us that "a little nonsense now and then is relished by the best of men"?

Why was it that Brother Stroup did not tell us more about Henry?

And is it possible that our Virginia friend, "Edge," quit when the "vaudevillians" left us?

And who will ever question the ability of Brother Harrison to amuse us as a monologist?

And did we not hear Brother Watts in his usual facile manner tell us that Pennsylvania lacked nothing possessed by other states, but went them one better by sending a "lady delegate."

But where was Brother Sharp, of New York, to tell us of "Wine, Women and Song," although his substitute, Brother Gallert, held our attention most admirably?

But we must hand it to Brother Wood for his extemporaneous remarks on Rhode Island, not to mention the oration of the day so ably delivered while handicapped by "St. Charlesitis."

And while Brother Alberse, of New Jersey, made us laugh with him, still he did not tell us why "they eat you alive."

But we must hand it to Brothers Hart and Ezekiel for the talent that enriched our banquet and, let us hope the next state to be honored with our convention will do likewise. J. W. W.

MARYLAND.

Mr. J. Dukes Downes, State Bank Commissioner, has resigned his position to become vice-president of the Title Guarantee and Trust Company of Baltimore. A complimentary banquet to the outgoing commissioner was tendered September 11th by the Maryland Bankers' Association. Mr. Downes is the licensing official for money lenders in Maryland and is to be commended for the capable and efficient manner in which he has administered his office in respect to supervising money lenders of small loans.

George W. Page, who has been Deputy Bank Commissioner for several years under J. Dukes Downes, was elected by the Board of Public Works to succeed Mr. Downes, who has become vice-president of the Title Guarantee and Trust Company. Mr. Page, who is a Democrat, received the votes of Governor Harrington and Comptroller McMullen. Treasurer Jackson, the Republican member, is at his summer camp in the Adirondacks.

Mr. Page assumed charge of the office immediately. He did not indicate who would be chosen deputy in his old place and it is possible that some time will elapse before a choice is made. As Bank Commissioner Mr. Page will receive a salary of $3,000. The salary of the deputy has been $2,250.

The new commissioner is widely known among bankers throughout Maryland and his appointment is expected to be gratifying to them. He has had a great deal of experience in the banking business and is a brother of William C. Page, president of the Calvert Bank.

The following resolutions were adopted at a recent meeting of Maryland Association in regard to loans on Liberty Bonds:

"WHEREAS, The Secretary of the Treasury has asked congress to enact laws to prevent dealers in questionable securities from seducing Liberty Bond holders into exchanging their Liberty Bonds for securities of doubtful value, and

"WHEREAS, The Secretary of the Treasury has urged all Liberty Bond holders to retain their bonds and not to sell them except in case of emergency and then to do so through a reputable broker, and

"WHEREAS, The banks and trust companies are advancing money on the security of Liberty Bonds on a small rate of interest or buying the bond outright; therefore, be it

"Resolved, That we, the Maryland Licensed Lenders Association hereby pledge ourselves to assist the United States Government by urging holders of Liberty Bonds to retain them, and if they must sell them, to refer them to a reputable bank, trust company, or banker; and, further, that we will not lend on the security of Liberty Bonds, believing it to be against the best interest of the holder and of the Federal government."

ARIZONA.

The State Auditor and Bank Comptroller states that only one company has obtained a license under the money lenders law of 1919, and that it is believed that this is the only party now doing business. He adds: "When the bank examiners make their inspection of the state, they will ascertain if anyone is violating the law."

YEAR BOOK.

Many orders have been received for the 1919 Year Book which will include the full proceedings of the National Convention and other useful data for members and others interested in the subject of the industrial loan business.

Proof of most of the matter has been received from the printer and is now being read. If nothing unforseen happens the book will be ready for distribution in November. A copy will be sent, with a bill, to all members and others, who will be at liberty to return it if it is not considered worth the price of one dollar.

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Communications cordially invited.

AMERICAN INDUSTRIAL LICENSED LENDERS' ASSOCIATION.

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Secretary, G. W. Kehr, 204 Chestnut St., Harrisburg.

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Iowa.—T. J. Harrison, 115½ E. 4th St., Waterloo.
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Mich.—F. E. Stroup, 507 Commercial Bank Bldg., Grand Rapids.
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Ohio.—F. R. Schneider, 2063 E. 4th St., Cleveland.
Pa.—A. S. Ezekiel, 1033 Chestnut St., Philadelphia.
R. I.—W. G. Wood, 268 Westminster St., Providence.
Va.—J. E. Edge, 202 N. 1st St., Richmond.
Unorganized States.—R. M. Rutherford, 202 Coleman Bldg., Louisville, Ky.

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Chairman, Finance, W. G. Wood, 268 Westminster St., Providence.
Chairman, Law, F. R. Hubachek, Esq., 610 McKnight Bldg., Minneapolis.
Chairman, Legislation, R. M. Rutherford, 203 Coleman Bldg., Louisville.
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Chairman, Publicity, A. V. Hart, 1020 Chestnut St., Philadelphia.

The National Council is composed of the National Officers, Vice-Chairmen, and Committee Chairmen.

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Ill.—L. T. Baker, 109 N. Dearborn St., Chicago.
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Md.—W. P. Pentz, 111 N. Charles St., Baltimore.
Mich.—H. D. Firth, 407 4th Natl. Bk. Bldg., Grand Rapids.
N. J.—P. L. Alberse, 411 Romaine Bldg., Paterson.
Ohio.—J. Fred Anderson, 401 Bushnell Bldg., Springfield.
Pa.—C. H. Watts, 1011 Chestnut St., Philadelphia.
R. I.—J. H. Wickstrom, 87 Weybosset St., Providence.
Va.—A. B. McMurtrie, 417 E. Broad St., Richmond.

OBJECTS.

The objects of this Association shall be to improve the small loan business; to advocate legislation, having the approval of this Association, uniform in character and providing for State License and Bond, and supervision and examination by state officials; to assist in education of the public to the service rendered by our members; to obey the uniform loan laws ourselves and police the business; to regulate public advertisements and circulars, so that they shall be truthful and straightforward; to establish uniformity in forms, books, and accounts, satisfactory to the licensing officials; to maintain good relations with all state officials and their examiners, and deal with them frankly in a spirit of coöperation; to assist and coöperate with all members of this Association and affiliated state associations in respect to accurate credit information, and assist in the collection of accounts, dealing with them always in a spirit of fraternity and helpfulness; to provide occasions for pleasant social intercourse between members.

UNIFORM STATE LAWS.

The National Conference of Commissioners on Uniform State Laws appointed by the governor or legislature of each state, held their twenty-ninth annual meeting at the Hotel VenDome, in Boston, August 27th to September 2d. The Committee on Scope and Program considered two subjects touching small loans, one being the proposal of the national organization supporting Credit Union legislation and the organization of such unions, but the committeee recommended that no action by the conference be taken thereon, which was approved. On page 4 of the committee's report we find the fourth heading of the report as follows:

ANTI-LOAN SHARK LAW.

It is a hard matter to regulate a loan shark. As a matter of fact, he is almost a free lance in the monetary world like his namesake—the shark—is in the animal world. The truth is, the loan shark feeds on the poor and helpless—the down and outs—and unless these poor, unfortunate people are protected from the greed and cupidity of the loan shark society is thus injured. Hence the loan shark should be regulated by more rigid laws than usually prevail in the states, but it is largely a local question and should be governed by local laws. We recommend that this subject be referred to a special committee.

Those who appeared before the Committee on Scope and Program were the following: Walter S. Hilborn, Esq., Acting Director of the Division of Remedial Loans of the Russell Sage Foundation, New York; F. R. Hubachek, chairman of the Committee on Law of the American Licensed Lenders Association; Reginald Heber Smith, Esq., formerly attorney for the Boston Legal Aid Society, and Clarence Hodson, Director of the Legal Reform Bureau to Eliminate the Loan Shark Evil, Inc., New York.

After the hearing the committee amended its preliminary draft of report by recommending that the subject be referred to a special committee to be appointed by the president of the conference. This committee was duly appointed by the president of the conference. This committee is expected to investigate the subject and report back to the conference of 1920.

LICENSED LENDERS ANNUAL CONVENTION.

The industrial licensed lenders of Illinois, who are represented in the Association of Commerce by more than twenty of their members who do business in Chicago, were represented at the National Convention of the American Industrial Licensed Lenders Association, held at the St. Charles Hotel, Atlantic City, N. J., September 8th, 9th, and 10th, by the following delegates, all of whom are engaged in the industrial loan business in Chicago: J. B. Skinner, L. T. Baker, G. O. Rolfes, L. C. Harbison, and B. E. Henderson.

Attorney Charles R. Napier, counsel for the Illinois Association, and who is a member of the Law Committee of the American Industrial Licensed Lenders Association, was also in attendance.

The American Industrial Licensed Lenders Association is a national body, whose membership is composed of state organizations with a membership of industrial lenders operating under modern laws regulating the business of loaning money in sums of $300 and less, and of individuals doing business in states where the business has not yet been regulated, but who are advocating the passage of remedial legislation.

The object of the national body and its members is to dignify, uplift, and standardize the small loan business throughout the United States. They favor legislation, uniform in character, providing licenses and supervision by a state official with bonds to the state and providing legal rates and terms fair to both lender and borrower; to assist by publicity in educating the public to the service rendered by industrial lenders in this necessary business; to obey the small loan laws and police the business; regulate advertisements so they will be dignified, truthful, and straightforward; to keep their books and accounts in a plain and understandable form, satisfactory to the licensing official and to always deal frankly and in a spirit of coöperation with customers, state officials, and the public in general.

The industrial loan business in Illinios is under the supervision of the Department of Trade and Commerce, which was represented at the convention by J. S. Baldwin, assistant director.—*Chicago Commerce*, Sept. 20, 1919.

ILLINOIS.

L. T. Baker, the live wire secretary of the Illinois Association, sent out the following interesting letter September 25th:

"Our Association by its patriotic action in the recent Liberty Loan drives, gained considerable notice of a creditable nature.

"Another opportunity to assist in a cause of equal merit is now presented by the *Salvation Army Home Service Campaign.* You are, undoubtedly, well informed as to the justification of this movement, and we all cannot but feel deeply interested in and most kindly toward the Salvation Army for their great good and humanitarian services rendered to our fighters.

"A new thought is being advanced to the effect that the services rendered by licensed lenders is closely allied to the services of social and charitable organizations, and if that is true, and it undoubtedly is to an extent, we should not overlook an opportunity to work in conjunction with them for, their influence in our behalf can be made a powerful asset.

"Every American throughout the land will undoubtedly be eager to contribute or donate to the further cause and good work of the Salvation Army, and this letter is to suggest that each of our members kindly send in whatever he feels justified in paying to Mr. A. F. Fitzsimmons, 203 S. Clark St., Grand Pacific Hotel Lobby, with the information that such remittance is being made by a member of the Illinois Industrial Licensed Lenders Association.

"As further evidence that we are, as loan men, gaining through associated efforts, public favor and the endorsement of the principles for which our Association stands, your attention is especially called to the article on page 20 of the

September 20th issue of the *Chicago Commerce,* which is a weekly publication of the Chicago Association of Commerce.

"The Chicago Association of Commerce also publishes a yearly Blue Book, which is a directory of high-class business and professional men, and also carries advertisements. The officers of our Association have arranged for a page advertisement in the next issue of the Blue Book, which will be in the nature of an educational article and is intended to create a favorable impression and induce inquiries. This advertisement, carrying as it will, the influence and prestige of the Chicago Association of Commerce, should be a wonderful help in our effort and desire to convince business, professional men, civic and social organizatoins that we are doing a legitimate business and rendering a necessary service at a fair charge.

"A number of Chicago members joined the Association of Commerce and have been appointed a special division through which we hope to become active in Commerce work. This undoubtedly is a good movement and licensed lenders in other towns and cites are urged to do the same in their locality."

NEW YORK.

In commemoration of its twenty-fifth anniversary, the Provident Loan Society of New York has published a history reciting in detail the achievements of this social and financial institution. The book is handsomely printed, bound and illustrated by duotone cuts, showing the building in which the Society started its operations, and its twelve office buildings, most of which have been erected and are used exclusively by the Society. The history in part, is as follows:

"The twenty-fifth anniversary of the organization of the Society seems an appropriate time to review the objects and purposes of its founders and the extent to which they have been accomplished; to appraise its present position as a social agency and financial institution, and to publish for the information of its contributors, a brief resume of its progress from modest beginnings to its present state of development and usefulness.

Periods of financial crisis and industrial depression invariably give rise to a variety of plans for relief. Too often these plans, conceived in the midst of hard times, come to fruition too late to be of great service and, even when meritorious and of large practical value, are usually of a temporary nature. A new emergency necessitates the preparation of a new plan—a repetition of arduous effort in arousing public support and the same inevitable delay in reaching a point of effectiveness. The Provident Loan Society is an example of a remedial plan called into existence by an emergeny but organized for continuous, permanent service. The Society was a definite result of a financial crisis and logically enough it has demonstrated its greatest efficiency during subsequent periods of depression.

The distressing conditions existing in New York City in 1892 prompted a special committee of the Charity Organization Society to recommend the establishment of an institution "to lend money at reasonable rates to the poor upon pledge of personal property." This recommendation was made on May 9, 1892. It was adopted by the Charity Organization Society and a committee appointed to put it into effect, but no immediate progress was made. The distress resulting from the panic of 1893 focused attention on the subject anew. A thorough study of the French and German Mont-de-Piete institutions by Mr. James Speyer, whose report was published in the "Charities Review" for March, 1894, pointed more clearly the course to be pursued and shed helpful light on the administrative methods and business policy to be employed. With the encouragement of Seth Low, Chairman of the Mayor's Relief Committee, active measures were taken which resulted in the passage by the legislature of a special act of incorporation and the opening of the Society on May 21, 1894.

The first officers of the Society were: President, Robert W. de Forest; treasurer, James Speyer; secretary, Otto T. Bannard. These three men have successively filled the position of president for terms of three years each ever since. Contributions to the original fund of $100,000 with which the Society was started, were largely obtained by them. The special act of incorporation under which the Society was organized, was drafted by Robert W. de Forest, and he was chiefly instrumental in procuring its enactment.

The original contributors did not expect that interest would be paid upon their contributions, certainly not at the start. Contributions were not solicited upon any such expectation. The founders hoped, however, that it might ultimately be possible to pay interest regularly, for they realized that only by paying interest, could the society ever expect to secure any large increase of loanable funds.

Of the original board of fifteen trustees, eight died in office, and four continue to serve: Messrs. Bannard, de Forest, Speyer, and Bishop David H. Greer (died May 19, 1919). Messrs. V. Everit Macy, Mortimer L. Schiff and Percy A. Rockefeller have served continuously for fifteen years.

At the start a practical pawnbroker was employed as manager. After ten years the extent of the Society's operations and the character of its problems dictated the engagement, as vice-president and executive head, of a man of greater capacity and wider knowledge of social and financial matters in the person of Mr. Frank Tucker, formerly director of the Association for Improving the Condition of the Poor. He has developed a group of technically trained executives in charge of its departments of appraisal, finance, law, audit and personnel, a large competent staff of trained employees, and a system of operation and control which leaves little to be desired. Under his management, the Society has steadily expanded in size and increased in usefulness and stability.

Starting with a capital of $100,000 contributed by thirty-six men and occupying one room, provided rent free in the United Charities Building by the Charity Organization Society, the Society now has nine hundred and forty-two certificate holders, employs funds amounting to $13,000,000 and occupies twelve large offices, eleven of which are in buildings owned by the Society. At the end of the first year's operations, 14,234 loans had been made amounting to $229,000. Loans made in 1917 numbered 431,345 and amounted to $22,869,000. Total loans to January 1, 1919, numbered 6,483,000 and aggregated $228,099,000.

During the years 1904 to 1918, inclusive, expenditures amounting to $1,468,000 were made from the surplus for real estate and buildings. The difficulty of leasing buildings which provide the office facilities which the Society's requirements demand, combining substantially the equipment needs of the commercial bank and the safe deposit company, prompted the trustees to adopt the policy of erecting or purchasing, out of surplus earnings, the Society's own buildings. This policy, which has resulted in the erection of nine buildings and the purchase of two others, has proved a wise one, for it has made possible the extension of operations in offices accessible to the residents of all boroughs of the city, the effective safeguarding of collateral retained in the vaults, the provision of adequate working facilities, and commodious, dignified public space for its clientele of both sexes.

The funds employed by the Society consist of Bonds ($1,400,000) paying interest at the rate of 4½ per cent. per annum; Certificates of Contribution ($7,200,000) on which interest has been paid at the rate of 6 per cent. per annum, and Profit and Loss Surplus ($4,201,500). Certificates of Contribution are issued in denominations of $500, $1,000 and $5,000. The return to contributors is strictly limited to 6 per cent. annually, if earned. The members of the Society can have no interest in its property under the constitution. The trustees can receive no salaries or compensation for their services. It is entirely a charitable institution with power vested in the trustees to make distribution, out of surplus earnings, from time to time, to charitable organizations located in the city of New York as they may deem expedient.

Interest is charged on loans at the uniform rate of 1 per cent. per month or fraction thereof, with a minimum charge of one-half month's interest. As compared with this rate, pawnbrokers may legally charge on loans of less than $100, 3 per cent. per month for the first six months and 2 per cent. per month thereafter; on amounts of $100 and over the charge allowed is 2 per cent. per month for the first six months and 1 per cent. per month thereafter.

Loans are made by the Society on almost every conceivable form of physical personal property which has value and is not too bulky or perishable. The majority of loans are secured by pledges of precious stones, watches, jewelry, plate and clothing.

The term of each loan is one year, and three months' grace is invariably allowed by the Society for redemption or renewal of the loan. Borrowers may reduce their loans at any time by payment of instalments or redemption of a part of the collateral. Loans may be renewed for another year by payment of accrued interest.

The collateral for unpaid loans is sold each month at public auction. Bor-

rowers are notified by mail of pending sale and given an opportunity to pay or renew up to the last month. The date and place of sale is advertised. A catalogue fully describing each article is distributed among those interested, and the collateral is exhibited for two days before the day of sale. By this method the Society secures unusually good prices and has developed a steady attractive market which enables it to maintain a high loaning schedule on a wide variety of articles with a reasonable margin of safety.

All surplus realized from the proceeds of the sale after the deduction of principal, interest and cost of sale, is turned over to the pledger if he responds to written notice. Otherwise, it is held subject to his order. In twenty-five years, unpaid loans amounting to $2,206,000 have been sold and surplus amounting to $458,680 has been returned to borrowers.

The demands upon the Society have steadily increased throughout the years of its existence. In amount loaned annually it has outstripped the Mont-de-Piete of Paris, the largest of the European municipal loan establishments. Its open loans outnumber the open accounts of the largest savings bank in the United States.

The average loan has increased from $16 in 1894 to $53 in 1918, but more than half the loans made in the latter year were for $20 or less in amount, and two-thirds for $30 or less. In strict conformity with its purpose of lending its funds so far as possible in small loans to those most needing assistance, the Society has reduced its maximum loan in time of unusual financial stress and thereby avoided a drain upon its resources through large individual loans. At present loans are made from $1 to $5,000 in amount. It would be impossible for the Society to conduct its operations at the present interest rate if it were not for the loans of large amounts, for, as has frequently been pointed out, the greater proportion of loans do not return in interest an amount sufficient to pay their share of operating expense and cost of capital.

Financial distress is not merely a concomitant of industrial depression,—it is a continuing and inevitable condition among members of all classes of society, from the poor man who pledges some small article of value to meet a temporary household emergency, caused by sickness or unemployment, and the small tradesman or contractor who requires a few dollars additional capital, to the man of property who hypothecates the family jewels in order to meet some financial obligation. The range of borrowers is as large as society itself and the reasons for borrowing include all the unnumbered embarrassments, difficulties, emergencies and opportunities incident to the complex life of the modern metropolitan community. For people in all walks of life the service rendered by the small-loan society comes as a helpful and unembarrassing means of extrication from temporary difficulty. For many it is insurance against dependency on the public purse.

The object of the Society was to help people to help themselves without loss of self-respect—to make it possible for those in need to obtain loans on pledge of personal property under proper conditions and reasonable terms. It has sought not to eliminate the private pawnbroker, but, by its competition and example, to reduce high charges and to eliminate objectionable practices. It has endeavored to disassociate the business in the public mind from the personality and conduct of some of those engaged in it.

The operations of the Society have been the cause of a substantial reduction in the interest rates charged by pawnbrokers in New York City, and of a marked improvement in their methods and practices. It has educated borrowers as to their legal rights and created a demand on their part for any surplus from the sale of collateral which the law accords them. Its example has led to the organization of many remedial loan societies in various parts of the country; the enactment of much wholesome legislation, and the removal of much of the odium and disrepute with which this necessary business has long been surrounded. It has broken down the reluctance of reputable capital to invest in this field. It has loaned a quarter of a billion dollars in average amounts of $35 at a cost to borrowers, which when compared with the rates which pawnbrokers are allowed to charge, represents a saving to them in interest conservatively estimated at $25,000,000—one million for each of its twenty-five years of life.

When the war with the Central Powers broke out, the Society had outstanding 287,000 loans amounting to $9,500,000. One year later, (August, 1915,) before the wave of "war prosperity," with its attendant high wages, had set in, the period of industrial distress caused by the war reached its culmination in the United States. In that month the Society's outstanding loans had increased in number to 328,000 and in amount to $10,600,000. In this emergency, one of the greatest in the history of the country, the Society demonstrated its effectiveness as a relief agency.

What began as a philanthropic experiment, has become the greatest of small loan banks—an agency of large social value and a financially sound institution. Like the Belgian and German Monte-de-Piete institutions, its surplus earnings have been used for the extension of operations. They have also served as a guarantee of employees' pensions and as insurance against a variety of possible emergencies which might threaten the property of the Society. Its Certificates of Contribution have come to be widely recognized as a sound and desirable investment for individuals and institutions. The Trustees of the Society believe that it has by no means reached the zenith of its growth and usefulness.

FAVORABLE RECOGNITION.

Note this interesting reference by James H. Collins in an article, "Clinching the Thrift Habit," in the August *The Nation's Business:*

"Suppose a preliminary meeting were held of all the business men in a community likely to have thrift information for the community good. If bankers went to such a gathering expecting to see chiefly other bankers, they might meet certain strangers.

"The money lender would be there, and he could tell them much about his customers—how they get into difficulties through sickness and misfortune and need loans of $25 to $50, with wages, salary and job as security, and how heavy is the cost of handling such loans—investigating the applicant's standing, and making collections from people who need training in handling money. The banker may have thought about the money lender as a "loan shark." He should meet him as a man who is trying to perform a needed service at reasonable cost under decided difficulties. *The better class of money lenders are now organized nationally for the improvement of their business and to draw a distinct line between themselves and the loan shark proper."*

DUES.

It is hoped that all members who have not yet paid their dues which were payable August 1st, will do so without further delay.

Already some of the prominent members are paying under the new plan their semi-annual dues which are not payable until next February, in order that the executive committeee may have a fund with which to plan the year's work. It is expected that others who promised to do so at the convention will soon follow suit. Dues are payable through state officers where there are state associations, and direct to the National Secretary in states not yet organized.

GARNISHMENT OF WAGES.

Senator McNary, of Oregon, has introduced in the senate, bill 2471, which provides for the garnishment and attachment of the wages of federal employees. This bill would make wages of employees of the Federal Government subject to garnishment for debt. In such proceedings process might be had upon the officer through whom wages or salary is paid or upon the officer who is charged with the duty of auditing the warrant under which the money is withdrawn from appropriation. Clerks of federal courts would not be required to answer as garnishees for property in their custody in their official capacity. The bill was referred to the Senate committee on judiciary, July 15.

A PROFFITEER.

In *The Nation's Business* for October, A. Mitchell Palmer, Attorney General of the United States, discussing "A Just and Reasonable Profit," says this about a profiteer:

"A profiteer, as the term is commonly used, is not susceptible of exact definition. We cannot say that a man who makes ten, twenty, thirty or more per cent profit is profiteering. Any one who makes more than a just and reasonable profit is a profiteer. Whether he does this must be separately determined in each case, taking into consideration the conditions in the locality, the nature of the commodity and the other facts relating to the particular transaction."

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INDUSTRIAL LENDERS NEWS

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VIRGINIA.

AN ORDINANCE.

(Approved May 15, 1919.)

To amend and reordain subsection 5 of Section 16 of Chapter 15 of Richmond City Code, 1910, concerning the levying of taxes, as heretofore amended.

Be it ordained by the council of the City of Richmond—

1. That subsection 5 of Section 16 of Chapter 15 of Richmond City Code, 1910, concerning the levying of taxes, as heretofore amended, be amended and reordained so as to read as follows:

5 (a). Loan companies or private bankers, this shall be construed to mean one who does not receive money on deposit, but who buys short term notes or obligations at discount, and loans money, $500.00.

(b). Corporations organized under the Morris or similar systems, making loans on the weekly payment plan, secured by endorsement or security other than assignment of wages or household property, which loans are discounted at the legal rate of interest, shall pay a city license of $50.00 on capital and surplus of $10,000.00 or less, and $2.00 per thousand on capital and surplus in excess of $10,000.00 as of May 1st.

2. This ordinance shall be in force from and after its passage.

A meeting of the Virginia Association was held in Richmond October 16. It was called to order by its Vice Chairman, J. S. Edge, at 202 North First St.

Representatives from the following offices were noted present: Citizens Loan Society, Richmond; Citizens Loan Society, Norfolk; Home Guarantee Company, Richmond; Standard Credit Co., Richmond; Mr. E. D. Wills, Lynchburg.

The minutes of the last meeting were read and approved.

Membership Committee reports E. D. Wills, Lynchburg, Va., and Mr. Master's three offices by our next meeting, all of which is very gratifying and was given a rising vote of thanks by the Association for his work in securing the above members. The Secretary was also remembered for his efforts.

It was regularly moved and seconded that J. S. Edge be appointed as a Committee of one to secure if possible a definite and minimum charge for recording deeds of trust and papers that are necessary in the Loan Business.

It was moved, seconded and carried that our next meeting will be held at Norfolk, Va., at the office of the Citizens Loan Society, 105 West Main St., November 6th, 1919, at 8 P. M.

Report of Secretary on Membership Fee Collection: Citizens Loan Society, Norfolk, Va., $10.00; Citizens Loan Society, Richmond, Va., $10.00; Home Guarantee Company, Richmond, Va., $10.00; Mr. A. D. Wills, Lynchburg, Va., $10.00.

The following bills were read and ordered held over until our next meeting: J. S. Edge, expenses to Atlantic City to the A. A. Association, $38.00; Secretary, stamps and envelopes, $1.34; total, $39.34.

Treasurer reports cash on hand to date, $35.82; dues collected, $40.00; total, $75.82.

There being no further business coming before the Association, same was adjourned until our next meeting, November 6th, at Norfolk, Va.

A. B. MCMURTRIE, *Secretary.*

PENNSYLVANIA.

The annual meeting and dinner of the Pennsylvania Association is being arranged at the time this was written, and will probably be held at the Adelphi Hotel, November 18. It will be known as "Ladies' Night" as the committee in charge is providing dancing. A. V. Hart, Chairman of the Entertainment Committee, assures each member that the entertainment during the banquet will surpass the high standard already set by the committees which have had charge of similar functions heretofore.

Invitations have been extended to a number of distinguished guests including the State Banking Commissioner, John S. Fisher, Representative Edwin R. Cox, Arthur H. Ham, late Director of the Division of Remedial Loans, Russell Sage Foundation, New York, and now Vice-President of the Provident Loan Society, National Chairman C. H. Stratton, Sullivan, Ind. Representative James A. Walker and George H. Orth, Supervisor of Small Loan Agencies.

Apart from the features of entertainment, there will be an important business meeting held, at which the new plan of dues adopted at the National Convention will be disposed of. A big attendance is assured.

OHIO.

Consistent with the efficient work done by the Department of Securities which supervises the small loan business in Ohio, quite a number of violators of the Lloyd Act have been convicted within the past few months. Only a short time ago, a prominent manufacturer was convicted on a system of advancing money to his employees at a rate in excess of 3 per cent a month. He not only paid his fine but returned all of the profit he had made and gave it to a local charity. He was happy to be let off in this way. R. V. Barto, Chief Examiner, has a group of three men busy running down non-licensees, who are beginning now to find out that they cannot safely do this class of business under cover.

INDIANA.

The Indiana Association will hold its semi-annual meeting Wednesday, November 19th, at Indianapolis.

A complete account of the meeting will appear in the December INDUSTRIAL LENDERS NEWS.

DISTRICT OF COLUMBIA.

With respect to small loan legislation now pending in Congress, our correspondent advises that no new developments have occurred nor are any expected until after December.

ILLINOIS.

The regular quarterly meeting of the Illinois Association was held at Hotel Morrison, Chicago, October 24. Judging from the following report of the secretary, L. T. Baker, it was some occasion:

"The meeting opened at 4 o'clock in the afternoon in an informal gathering in what was intended to be a round table general topic conversation gathering. Mr. Stimle, of the American Loan Co., and Mr. Inman, of the Peoria Loan Co., Peoria, have the honor and credit of being the first men to show up and were there promptly on time. The larger portion of those who attended came in about 5 o'clock and because of their tardiness, it was impossible to carry out the preliminary or informal meeting as had been arranged. It is hoped that all members and officers in the future will set a good example by showing up promptly at the time set for opening the meeting.

"By 6 o'clock there were forty-eight persons in the Assembly Hall, and the large folding doors connecting with the dining room were opened, and as the music played, the members and guests took their places at the banquet table.

"During the dinner hour we were entertained by a group of five very clever musicians and comedians, and from all indications and reports it was indeed a very interesting and enjoyable banquet. By the time for opening of the regular business session, two more members had shown up, and we then had a grand total attendance of fifty persons.

"Among these were six guests who we were very pleased and honored to have with us. They were National Chairman C. H. Stratton, from Sullivan, Indiana; R. M. Rutherford, from Louisville, Ky.; Miss Cartmill, of the Department of Trade and Commerce,

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Correspondence and items intended for publication should be addressed to Geo. W. Kehr, 204 Chestnut St., Harrisburg, Pa.

Communications cordially invited.

AMERICAN INDUSTRIAL LICENSED LENDERS' ASSOCIATION.

NATIONAL OFFICERS, 1919-1920.

Chairman, C. H. Stratton, Sullivan, Indiana.
Treasurer, J. H. Aufderheide, 860 Lemcke Annex, Indianapolis.
Secretary, G. W. Kehr, 204 Chestnut St., Harrisburg.

VICE-CHAIRMEN.

Conn.—H. R. Griffen, 113 Church St., New Haven.
Ill.—L. C. Harbison, 81 E. Madison St., Chicago.
Ind.—A. C. Broughman, 304 Marion Natl. Bk. Bldg., Marion.
Iowa.—T. J. Harrison, 115½ E. 4th St., Waterloo.
Md.—William Young, 419 Munsey Bldg., Baltimore.
Mich.—F. E. Stroup, 507 Commercial Bank Bldg., Grand Rapids.
N. J.—J. W. Whitstone, Frost Bldg., Plainfield.
Ohio.—F. R. Schneider, 2063 E. 4th St., Cleveland.
Pa.—A. S. Ezekiel, 1033 Chestnut St., Philadelphia.
R. I.—W. G. Wood, 268 Westminster St., Providence.
Va.—J. E. Edge, 202 N. 1st St., Richmond.
Unorganized States.—R. M. Rutherford, 202 Coleman Bldg., Louisville, Ky.

COMMITTEES.

Chairman, Auditing, E. P. East, 175 Fifth Ave., New York.
Chairman, Finance, W. G. Wood, 268 Westminster St., Providence.
Chairman, Law, F. R. Hubachek, Esq., 610 McKnight Bldg., Minneapolis.
Chairman, Legislation, R. M. Rutherford, 203 Coleman Bldg., Louisville.
Chairman, Membership, W. A. Zumpfe, 701 Odd Fellows' Bldg., Indianapolis.
Chairman, Publicity, A. V. Hart, 1020 Chestnut St., Philadelphia.

The National Council is composed of the National Officers, Vice-Chairmen, and Committee Chairmen.

STATE SECRETARIES.

Conn.—H. G. McMullin, 757 Main St., Hartford.
Ill.—L. T. Baker, 109 N. Dearborn St., Chicago.
Ind.—R. C. Aufderheide, 860 Lemcke Annex, Indianapolis.
Iowa.—D. Esmond, 312 Century Bldg., Des Moines.
Md.—W. P. Pentz, 111 N. Charles St., Baltimore.
Mich.—H. D. Firth, 407 4th Natl. Bk. Bldg., Grand Rapids.
N. J.—P. L. Alberse, 411 Romaine Bldg., Paterson.
Ohio.—J. Fred Anderson, 401 Bushnell Bldg., Springfield.
Pa.—C. H. Watts, 1011 Chestnut St., Philadelphia.
R. I.—J. H. Wickstrom, 87 Weybosset St., Providence.
Va.—A. B. McMurtrie, 417 E. Broad St., Richmond.

OBJECTS.

The objects of this Association shall be to improve the small loan business; to advocate legislation, having the approval of this Association, uniform in character and providing for State License and Bond, and supervision and examination by state officials; to assist in education of the public to the service rendered by our members; to obey the uniform loan laws ourselves and police the business; to regulate public advertisements and circulars, so that they shall be truthful and straightforward; to establish uniformity in forms, books, and accounts, satisfactory to the licensing officials; to maintain good relations with all state officials and their examiners, and deal with them frankly in a spirit of coöperation; to assist and coöperate with all members of this Association and affiliated state associations in respect to accurate credit information, and assist in the collection of accounts, dealing with them always in a spirit of fraternity and helpfulness; to provide occasions for pleasant social intercourse between members.

Springfield; and our old time reliable friend and counsellor, Charles R. Napier, of Chicago; M. R. Drennan of Minneapolis and Mr. R. J. Sexauer of the Chicago Association of Commerce.

"At this meeting the following cities other than Chicago were represented: Joliet, Peoria, Springfield, Danville, and Rockford.

"Immediately upon opening of the business session, Mr. R. J. Sexauer, of the Association of Commerce, gave a very interesting five minute talk, outlining the advantage of membership in the Association of Commerce, and invited our members, who had not already joined, to do so. It is believed that our men fully realize the importance and advantages of being members of such a wonderful organization, and that we will soon have a full quota of our Chicago membership.

"Roll call and the reading of minutes were dispensed with.

"Treasurer Breen then reported a cash balance of $466.67 with all bills paid.

"Mr. Weinshenk on behalf of the Membership Committee reported no new members. The resignations of the Danville Credit Company, 18 E. North Ave., Danville, Ill., and Arthur Green, of the Marquette Security Co., 140 S. Dearborn St., Chicago, Ill., were then read and accepted.

Messrs. Weinshenk and Skinner were then appointed as a membership committee to continue efforts in increasing the number on our roll call. Mr. Weinshenk having outlined as his duty, the work of soliciting by mail Licensees outside of Chicago, and Mr. Skinner to keep in personal touch with non-members in Chicago.

"Mr. Alfred Snite, of the Imperial Credit Co., 58 W. Washington St., was then elected Treasurer to fill the vacancy caused by the resignation of Mr. Davis, who had left the city.

"Under correspondence a letter was read from Mr. James S. Baldwin, of the Department of Trade and Commerce, Springfield, who expressed a keen regret in finding it impossible to accept our invitation to attend the meeting. He assured us that his visit at a former meeting gave him much pleasure and he was glad of the opportunity to meet our men face to face, as in that way he had been able to form a very favorable impression. In his opinion our being banded together in an Association was of inestimable value to us, and he highly recommends enthusiastic endeavor along co-operative lines.

"Mr. Baldwin, after attending the National Convention at Atlantic City states that what is true in the way of benefits to be derived from a State Association is also true in a larger sense in reference to our National Association. Mr. Baldwin closed his letter stating that he wished us great success in our work.

"It is truly gratifying and inspiring to receive such an encouraging letter from Mr. Baldwin.

"A letter from Mr. A. F. Fitzsimmons, Chairman of Division 19, of the Salvation Army Home Service Campaigns, expressed profuse gratitude for the efforts of our Association and to those members who contributed to the fund. More than $300.00 in contributions was traceable to our members, but because of the confusion in the work there was undoubtedly other contributions by our members not accounted for.

"Other correspondence was then read and disposed of.

"It was then announced that Mr. Oscar Friedman, of the Associated Charities had requested our Association to solicit contributions to the American Jewish Relief Fund, and the matter was turned over to Mr. Weinshenk, through whose efforts a sum of approximately $500.00 will be raised.

"Mr. Napier then again took up briefly the Chicago Association of Commerce work, explaining the arrangement for our business to have a special division and urging all members to join, in as much as being members was undoubtedly a badge of respectability and a strong foundation upon which to build favorable public opinion and prestige.

"Mr. Napier is and always has been an enthusiastic and energetic worker on behalf of the welfare of our Association, and deserves especially a great deal of credit for his efforts in connection with the success of working out our progress in the Association of Commerce.

"Mr. Rolfes of the Guaranty Loan and Investment Company, Chicago, then reported as a delegate to the National Convention, held at Atlantic City. He stated that he was impressed with the sincerity of those in attendance and that he enjoyed and benefited from the splendid papers read and talks made, and complimented the officers of the Association on their most delightful and successful banquet.

"Mr. Skinner, the other delegate who accompanied Mr. Rolfes to Atlantic City, unfortunately was ill and could not attend the meeting.

"Next on the program was a paper by W. G. Woods of Providence, Chairman of the National Finance Committee, which was read in a very forceful manner by Mr. Weinshenk. The paper might be entitled 'Our Trip From Yesterday to Today,' and was very cleverly written and created considerable comment.

"Our Chairman then introduced the principal speaker of the evening, Mr. Stratton, our National Chairman, who in his usual characteristic manner, won the crowd over and had them all in the best of humor and straining every nerve to catch each word. Besides being an orator and a keen student of business affairs, Mr. Stratton is an expert story teller and his appearance always means a rare treat in respect to these various qualifications.

"The remarks of Messrs. Stratton and Rutherford are printed at the conclusion of this report.

"Mr. Harbison then explained the new schedule and method of payment of the National dues and of the double classification of State and National membership. The matter was thoroughly gone into and after more general discussion a vote was taken favoring the National program of activities and increased dues.

"We then had a general discussion session which was opened by Mr. Rose, of the Chicago Mortgage Loan Company, with a brief paper on "The Collection of Legal Interest," which was very interesting. Mr. Rose pointed out that in his opinion it was important

that each borrower be made to understand thoroughly the terms of his contract rather than the law involved therein. He feels that the elevated standard in the general character of our customers, has eliminated the necessity for the old time lecture procedure.

"Mr. Sanderson, of the Commercial Loan and Guaranty Co., then took up the Clearing House question, and very ably defended his contention that we should have such an institution in Chicago. Because of not having worked out a practical plan to submit to the meeting, apparently little progress was made, but the matter because of this discussion, will undoubtedly be given further thought by the individual members.

"Following this the meeting was adjourned in the usual manner, which was followed by good fellowship handshakes, brief friendly chats, and if any one departed not a better State and National Association member, he is surely a hard shell and hopeless.

"By a general opinion, this meeting was the biggest and most enjoyable, most interesting and profitable in the history of the Illinois Association."

Here is what National Chairman Stratton said:

"Public spirited and big hearted fellows are essential to the welfare of any community, in fact, we must have them to be successful. Men who are willing and glad to contribute money and time towards the betterment of the social and business interests of a community are the best citizens in it. It isn't always the man who makes the most money and is the most successful in business that is the best citizen, not by a jug full. Men are not measured that way. A self centered man with ingrowing toe-nails and a mind entirely selfish is not the kind of a neighbor we need.

"It is gratifying to me, indeed, to see this splendid body of men, with plenty of red blood and if I were looking for the narrow selfish type I would know at once that I had come to the wrong place.

"We are living in a wonderful age and I am wondering if we all realize our advantage and opportunities. If we could look back at the picture of a century ago we would not recognize ourselves. The telephone, flying machine, electricity, x-ray, automobile and hundreds of other things, which in pioneer days would have belonged to witchcraft, are children of the last century.

"Impossible things have been accomplished, man can talk to his neighbor across the sea with no connection except the air of God. We can also touch a button on one side of our great United States and instantly start the wheels of gigantic machinery, across the thousands of miles of hills and fertile valleys, on the other. What will we be doing in another century, perhaps even greater developments will take place. May be we will be communicating with and traveling to and from our neighboring planets or discover the secret of perpetual life, who knows, who can imagine, who can guess?

"Some people say that we all sprang from monkeys and the only difference between us is that some of them sprang farther than the rest of us.

"My good friend and neighbor, the Hon. Will H. Hays, Chairman of the Republican National Committee, says, 'Things do not happen, they are brought about.' No truer statement was ever made.

"The success of any community is not a mere happen so but a succession of things and conditions which are brought about by its citizens. The success or failure depends upon the time and amount of energy exercised. We are nothing more or less than a gigantic partnership. We are partners in business together and are more dependent upon each other than we might at first thought realize. It is a matter of you help me and I'll help you and wherever you find a man who thinks that he is big enough and strong enough to live without friends or neighbors and will not fraternize, right there you have found a bad citizen and a draw-back to any community. He is a liability and what that community needs is a first class funeral. A few years ago a meeting of this kind would not have been well attended. In fact it would have been next to impossible to get a bunch of loan men together because the small loan business was not looked upon with favor and those engaged in the business were not courting publicity and were staying under cover as much as possible. Not only were we operating without a single protecting law but most all were doing business directly contrary to it. We were outlaws and when we did get into court our chances were about as good as would be that of a celluloid dog chasing an asbestos cat through purgatory. Every man in the business then was paddling his own canoe and he wasn't splashing any water either.

"As Chairman of the American Association it is, indeed, a great pleasure to me to be able to say to you tonight that we are no longer in that condition. We are no longer outlaws, we are legalized and patronized, clean-cut and sanitary. Those who were trying to abolish the business have decided that course to be a mistake and have changed their tact to a policy of regulating and legalizing the business on a basis of fairness between lender and borrower. That has been accomplished by the Uniform Loan Law which has been put upon the statute books of the great State of Illinois and in a number of other progressive states and is being rapidly written in the laws of the different states so that we believe within the next few years practically every state in the Union will have adopted it. At last the protecting arm of the law is folded about us. Society is better off, the loan man is better off and he can now take his place in business and court publicly and look every man in the eye. If it were not so we would not be here tonight.

"Business Psychology tells us that the four great essentials to business are enterprise, ability, self-confidence and concentration.

"Enterprise in this connection means to hustle, more work and keep at it but it also means constructive hustle, not destructive. Ability is more of a natural thing and some have more of this stock in trade to start with than the rest of us but it can be cultivated. Self-confidence is of great importance and is absolutely necessary to success. Someone has said, and I believe truthfully, that self-confidence is half the battle. When you believe that you can do a thing all the power of your being accumulates in these faculties through which the work is to be done. You remember the boy back at school, whom you whipped, although he was much larger and stronger than you were. Everyone cuffed him around and said he had no backbone while the fact of the business was his storehouse of self-confidence was empty.

"The fourth great essential is that of concentration and the purpose of concentration is to hold attention upon the work at hand as long as may be required. Unless we have this power of concentration we can never accomplish much. We may be shot full of enterprise a good deal like a turpentine dog and have a natural ability that at times seems almost freakish and a self-confidence that would have outdone the Kaiser in 1914 but without concentration right at the time when we are going to accomplish big things the wind blows the paper off of the desk and by the time we pick it up new ideas are chasing themselves through our minds and what we were doing is lost in the tidal wave of new suggestions and ideas which take their place but lead us in an entirely different direction. I am sure you all know of men who would accomplish wonderful things if they stayed at one thing long enough to really work it out.

The Illinois Association is, as I am told, in a fine healthy condition. It needs you and you need it, it is a mutual proposition and is necessary and essential to the success of the small loan business in Illinois. You have a good law, fair to you and the borrower. Of course if you and I were given permission to change it just to suit ourselves, no doubt we would make a few changes. This privilege, of course, is not going to be given to us and I am frank to say that it would not be wise if it were. This, I want you to remember, however, and that is that just as sure as we are here tonight this law will be attacked from time to time by people who have the interest of the public at heart but are misguided and also by those who are enemies to the loan business. It would be dangerous for us to offer any changes which we might think would benefit the law from our viewpoint. I say it would be dangerous for the reason that we can not always tell where the ball is going to stop. On account of things that I have mentioned you must jealously guard the business by helping to conduct it on a higher plane. See that nothing takes place that will cause the loan business or any loan man to even be questioned as to his honesty and fair-dealings. By all means keep your association in a good live healthy condition. Do not allow interest in it to lag for one minute. Be on the alert and have your committees and officers with everything at their finger tips and with their ears to the ground in order to detect at first sound anything that is going to injure your business. To a lot of the members who have taken no active personal interest in the association, I want to say to you, do not begin to know what you owe to your State Organization and to the National Association. The fact of the business is it is very likely that you

would not have been in business today had it not been for these two Associations. The National Association needs your help and co-operation, they need you badly, but I want you to understand that you need them just as much as they need you.

"It is the business of the American Association to protect the interest of the small loan business all over the United States. They are creating sentiment and good feeling all over the country. They are working in very close harmony with the big remedial people and those of you who are in touch with the situation know that this is a most important thing.

"For your information I might tell you that the Executive Committee of the American Association is going to have a meeting in New York City next week and by invitation will hold a conference with the biggest, most powerful remedial people in our country. And I also want you to know that our working relations with them are fine.

"The Governor of Indiana told me the other day of a certain man who came to him complaining about the new Indiana Tax Law. He imagined that it was going to be a great hardship and the Governor said he was almost crying. In talking with him the Governor found out that his state and county taxes last year were $2,200.00 and that he was afraid that they would be higher under the new law. While talking to him the Governor found out that this fellow paid the United States Government $300,000 income tax. He paid that tax to the government and said nothing about it. Now all of you in running your business have, of course, big overhead expenses and you pay them without thinking much about it and without complaining. So remember when it comes to paying your little dues to the American Association and your state association don't be like the man paying taxes, complaining at the little things and overlook the big ones."

R. M. Rutherford, chairman of the Legislative Committee, spoke as follows:

"I can't begin to express the pleasure it gives me to have this opportunity of meeting with the 'live wire' loan men of my sister state of Illinois.

"I have known some of you for quite a while and others I have met only today; but I want to say to you, that you have made me feel perfectly at home. I assure you I appreciate the very cordial and hearty welcome you have given me; and I want to thank you for your gracious hospitality.

"I have heard nothing but good reports of the Illinois Association. It stands out prominently as a leader. It is progressive and aggressive and stands out at the very top of the list of our State Organizations.

"I watched your proceedings to-night with keen interest and can say, without flattery, that the good reports I have heard, have not been exaggerated. I am more than pleased with what I have seen and heard.

"This being the first State meeting I have had the pleasure of attending, I have been particularly interested, on account of the fact that, with the assistance of my friends Harbison and Woll, both of whom have interests in Kentucky, it is our intention to organize a Kentucky State Association in November, thus adding one more state to the steadily growing membership of the American Association.

"Although Mr. Baker has asked me to tell you some of the advantages to be derived from membership in the National Body, Mr. Stratton has covered the field so thoroughly in his address that very little has been left, for me to say. If after listening to Mr. Stratton and to Mr. Wood's paper you have not been convinced that the American Association is largely responsible for the improved conditions surrounding you today, I don't think anything I, or anyone else could say, would have much weight. Mr. Wood has certainly drawn a vivid picture. It is difficult to realize that such changes could have been possible in so short a period of time.

"While all may grant that the American Association has accomplished a great deal; some may say that its work is now done; and that 'well enough' should be let alone.

"Let us see if its work *is* done. Less than a dozen states now have local organizations; and at least one-half of the States of our Union are still in the out-lawed class and have no constructive small loan laws. Because conditions have improved in Illinois and a few other states, and you are well pleased with yourselves, are you going to forget the poor fellows in Kentucky, and in some twenty-five other states, who need your help and encouragement?

"Because the legislatures of quite a number of states have passed 3½% laws, which all of you agree is adequate, have you any asurance that these laws will remain in force, unamended?

"It is a difficult thing to convince a prejudiced public that 3½% is an equitable rate. The country is full of 'would be' reformers, with absolutely no practical knowledge of the small loan business and its needs, who delight in introducing amendments at each legislative session. And mark you! the tendency is always downward.

"Three bills, I believe, were introduced in Indiana last winter to lower the rate. These bills were defeated by the combined efforts of the splendid Indiana Association and the National Body

"You are doubtless all familiar with the recent legislation in Colorado and California where 1% laws, under which no one can honestly operate, were passed. The result will be a return, by unscrupulous parties, to old time methods, bringing the business again into the old time disrepute.

"Every drastic law which is passed, is a set back to the movement for decent small loan conditions and injures your business directly or indirectly; whereas every state that passes the uniform act, adds one more prop to your foundation and makes the future of your business more secure.

"It is of the utmost importance therefore, that the uniform bill be passed in as many states as possible, and as rapidly as possible.

"Can this be accomplished without the machinery of a National organization, working in connection with local forces? I think not.

"The story of Colorado and California might have been quite different, if the American Association had had the proper machinery and sufficient funds to make a winning fight.

"It is not at all improbable that Congress may attempt, at some future time, to regulate the small loan business by a national law. It is not pleasant to contemplate what this law may be, unless we take advantage of our opportunity in the meantime, to educate the public and create a sentiment favorable to what we believe to be fair and equitable. Such a sentiment can best be created by a National Organization.

"The greatest asset of any business is its "Good Will." You insure your tangible property against fire. You bond your employes and perhaps hire watchmen to protect assets which could be duplicated and replaced. But how about your "Good Will"—that intangible asset that cannot be replaced. A large percent of the "Good Will" you are enjoying today, has been created by the efforts of the American Association.

"It is scarcely conceivable that anyone who is enjoying these benefits will neglect to insure his business against future disaster by refusing to contribute annually, the small amount necessary to enable this organization to carry on the work it has now only begun.

"As you all know, at the recent convention, a plan was outlined to make of the American Association in the future a real and a greater force than it has been in the past. This will take money and a great deal of money. You are doubtless familiar with the new financial plan and know something of the proposed activities.

"You have also heard that an Executive Committee of five members has been elected with power to act on all questions.

"This Executive Committee will have its first meeting early in November, at which time the year's work will be mapped out.

"I think each member of the Executive Committee realizes his responsibility; is ready and eager to do whatever he can, to promote the best interests of every member of the National Body; but as there are 300 or more members, it is impossible for us to know your needs unless they are brought to our attention.

"This committee was created to carry out, as far as possible, your wishes. It is your servant, and wants to know what you would like for it to accomplish.

"The committee should be in intimate touch with each State organization, should know its grievances and do what it can to pacify disaffected members. This can be done only by close contact and having suggestions from members.

"I think it would be well to have some members of the Executive Committee attend each State meeting; and in this way keep in touch with its various members. I can see much good that might come to both State and National bodies out of such contact; and hope that it may be possible to make such an arrangement.

"I feel that I have gained *much,* by being with you today; and can go to the Executive Committee meeting, week after next, with a more intelligent understanding of my duties and responsibilities, on account of the fellowship I have had with you today."

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INDUSTRIAL LENDERS NEWS

Official Organ American Industrial Licensed Lenders Association Which Is a Member of the Chamber of Commerce of the U. S. A.

Vol. IV. No. 6. DECEMBER, 1919. Price, $1.00 a Year.

DUES.

On February one next, the new plan of dues adopted at the National Convention becomes operative, for all who desire to continue their membership in the A. A. The plan is probably understood by most if not all members by this time, as it has been threshed out at most of the State Association meetings, but in order that it may be clear to everyone, a little repetition may not be amiss.

If you desire to retain your "A. A." membership as well as your State Association membership on February 1st next, or when you receive a bill for your State Association dues from your State Secretary, you will be expected to pay in addition to your State Association dues, additional dues to the "A. A." at the rate of 50 cents per thousand for your average loan balance for the previous calendar year.

For example, if your average outstanding monthly loan balance for twelve months, added together and divided by twelve, equalled in 1919, $20,000.00 or less, you would pay to the A. A., $10.00 in dues in 1920, $5.00 being payable February 1st and $5.00 being payable August 1st. If you prefer, you may pay more than 50 cents per thousand without a definite declaration of your loan balance, by merely stating that your check is for a greater sum than what 50 cents per thousand would be on your average loan balance. An office with an average loan balance of $25,000.00 in 1919, and so stated, would pay to the A. A. dues in 1920, $12.50 annually or $6.25 February 1st and August 1st in advance. Likewise, an office with an average loan balance of $50,000.00 for the year would pay $25.00 or $12.50, February 1st and August 1st, while offices of $75,000.00 and $100,000.00 would pay $37.50 and $50.00 respectively for the year, and $18.75 and $25.00 respectively, February 1st and August 1st.

By making the mere statement when remitting that the amount of your check represents more than 50 cents per thousand on the average loan balance of your office for the year, it will not be necessary to make a definite declaration of just what your loan balance may have been. On the other hand, if you elect to pay the maximum of $100.00 per year per office, or $50.00 on February 1st and August 1st, no declaration of any kind is necessary. This, many of the chain operators and other large interests have agreed to do. It has been suggested that any individual, firm or corporation that elects and pays the maximum amount of dues, namely $100.00 per annum, $50.00 on February 1st and August 1st, will be entitled to have his or its name and address published in the INDUSTRIAL LENDERS NEWS under the heading of "Honor Roll" or some equally appropriate title.

If the accustomed time for the payment of semi-annual State Association dues is before February 1st, send your check for A. A. dues along and save the extra detail for your state and national officers by remitting for both organizations at the same time. All State Association members who desire to continue their national identification will please remit through their State Association officer.

All individual members in unorganized territory, will remit as before to the National Secretary on or before February 1st, in accordance with the plan adopted at the national convention, which may be found in the Constitution and By-Laws. If there still be any member who desires more information, an inquiry to any state or national officer will bring a quick response.

OHIO.

Judge Dyer called a meeting of the Executive Committee in Columbus, December 10th, for the purpose of fixing the date of the mid-winter meetings of the Ohio Loan Association, and to take up any other matters pending. It is probable that the National Chairman, C. H. Stratton will be invited to attend the meeting of the Ohio Association.

WEST VIRGINIA.

A meeting was held in Wheeling, W. Va., November 14th, at which time the West Virginia Industrial Lenders Association was organized. Those in attendance were, Wirt V. Hawkins, Wheeling; H. L. White, Wheeling; J. J. Burns, Wheeling; Guy E. Hawkins, Atlantic City; R. C. Aufderheide, Indianapolis; R. I. Barker, Huntington, Robert McKiernan, Charleston, and W. H. Patterson, Muncie.

The meeting was called to order by R. C. Aufderheide, who was made temporary chairman with W. H. Patterson, temporary secretary. After the Constitution and By-Laws were adopted, the following permanent officers were elected: Chairman, Wirt V. Hawkins; Vice-Chairman, J. J. Burns; Secretary and Treasurer, Robert McKiernan; Executive Committee, D. E. Earnest and H. L. White.

Application for affiliation with the American Association was authorized and Wirt V. Hawkins was elected as the delegate to the next National Convention.

VIRGINIA.

A meeting of the Virginia Association was held in Norfolk, November 6th, the Vice-Chairman, J. S. Edge, presiding.

The following offices were represented: Home Guarantee Co., Richmond, Va.; Norfolk Building & Loan Co., Norfolk, Va.; Co-Operative Investment Co., Norfolk, Va.; Empire Loan Co., Norfolk, Va.; Citizens Loan Society, Norfolk, Va.

The minutes of the last meeting were read and approved.

The absence of the Secretary A. B. McMurtrie was deeply regreted by all present.

There were objections made against certain companies in the state advertising as to not charging notary fees.

A question was brought up about the matter of loaning money on jewelry under the state laws.

These items will be taken up at a future meeting.

It was moved, seconded and carried that expense bill to J. S. Edge $38.00 be paid, also bill for stamps and letters to A. B. McMurtrie $2.65 be paid. Total, $40.65.

Report of secretary membership fees collected:

Co-Operative Investment Co., Norfolk, Va.,	$10 00
Norfolk Building & Loan Co., Norfolk, Va.,	$10 00
Lynchburg Building & Loan Co., Lynchburg, Va.,	$10 00
Roanoke Building & Loan Co., Roanoke, Va.,	$10 00
Treasurer reports cash on hand to date,	$75 82
	$115 82
Expense,	40 65
	$75 17

There being no further business before the Association same was adjourned until our next meeting to be held January 8, 1920, at Lynchburg, Va., at the office of the Lynchburg Building & Loan Co., 214 Eleventh St.

PENNSYLVANIA.

The annual meeting of the Pennsylvania Association was held on the Roof Garden of the Adelphia Hotel, Philadelphia, at 3 P. M., November 18th, being called to order by Chairman A. S. Ezekiel. Twenty-eight members and the following visitors were present: C. H. Stratton, National Chairman; W. G. Wood, Chairman of the Rhode Island Association; J. W. Whitstone, Chairman of the New Jersey Association.

The treasurer reported a balance of $193.34 in the treasury and the secretary reported a membership of 62; 61 of whom are in good standing.

Reports from the members delegated to confer with other members on the question of continuing their member-

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Correspondence and items intended for publication should be addressed to Geo. W. Kehr, 204 Chestnut St., Harrisburg, Pa.

Communications cordially invited.

AMERICAN INDUSTRIAL LICENSED LENDERS' ASSOCIATION.

NATIONAL OFFICERS, 1919-1920.

Chairman, C. H. Stratton, Sullivan, Indiana.
Treasurer, J. H. Aufderheide, 860 Lemcke Annex, Indianapolis.
Secretary, G. W. Kehr, 204 Chestnut St., Harrisburg.

VICE-CHAIRMEN.

Conn.—A. S. Edwards, 42 Bank St., Waterbury.
Ill.—L. C. Harbison, 81 E. Madison St., Chicago.
Ind.—A. C. Broughman, 304 Marion Natl. Bk. Bldg., Marion.
Iowa.—T. J. Harrison, 115½ E. 4th St., Waterloo.
Md.—William Young, 419 Munsey Bldg., Baltimore.
Mich.—F. E. Stroup, 507 Commercial Bank Bldg., Grand Rapids.
N. J.—J. W. Whitstone, Frost Bldg., Plainfield.
Ohio.—F. J. Schneider, 2063 E. 4th St., Cleveland.
Pa.—E. P. East, 175 Fifth Ave., New York.
R. I.—W. G. Wood, 268 Westminster St., Providence.
Va.—J. E. Edge, 202 N. 1st St., Richmond.
Unorganized States.—R. M. Rutherford, 202 Coleman Bldg., Louisville, Ky.

COMMITTEES.

Chairman, Auditing, E. P. East, 175 Fifth Ave., New York.
Chairman, Finance, W. G. Wood, 268 Westminster St., Providence.
Chairman, Law, F. R. Hubachek, Esq., 610 McKnight Bldg., Minneapolis.
Chairman, Legislation, R. M. Rutherford, 203 Coleman Bldg., Louisville.
Chairman, Membership, W. A. Zumpfe, 701 Odd Fellows' Bldg., Indianapolis.
Chairman, Publicity, A. V. Hart, 1020 Chestnut St., Philadelphia.

The National Council is composed of the National Officers, Vice-Chairmen, and Committee Chairmen.

STATE SECRETARIES.

Conn.—H. G. McMullin, 757 Main St., Hartford.
Ill.—L. T. Baker, 109 N. Dearborn St., Chicago.
Ind.—R. C. Aufderheide, 860 Lemcke Annex, Indianapolis.
Iowa.—D. Esmond, 312 Century Bldg., Des Moines.
Md.—W. P. Pentz, 111 N. Charles St., Baltimore.
Mich.—H. D. Firth, 407 4th Natl. Bk. Bldg., Grand Rapids.
N. J.—P. L. Alberse, 411 Romaine Bldg., Paterson.
Ohio.—J. Fred Anderson, 401 Bushnell Bldg., Springfield.
Pa.—C. H. Watts, 1011 Chestnut St., Philadelphia.
R. I.—J. H. Wickstrom, 87 Weybosset St., Providence.
Va.—A. B. McMurtrie, 417 E. Broad St., Richmond.

OBJECTS.

The objects of this Association shall be to improve the small loan business; to advocate legislation, having the approval of this Association, uniform in character and providing for State License and Bond, and supervision and examination by state officials; to assist in education of the public to the service rendered by our members; to obey the uniform loan laws ourselves and police the business; to regulate public advertisements and circulars, so that they shall be truthful and straightforward; to establish uniformity in forms, books, and accounts, satisfactory to the licensing officials; to maintain good relations with all state officials and their examiners, and deal with them frankly in a spirit of coöperation; to assist and coöperate with all members of this Association and affiliated state associations in respect to accurate credit information, and assist in the collection of accounts, dealing with them always in a spirit of fraternity and helpfulness; to provide occasions for pleasant social intercourse between members.

ship in the A. A. were then heard. The result of this canvass together with such information as was offered by Messrs. Stratton, Kehr and Wood, indicates that a majority if not all of the Pennsylvania members will continue their identification with the national body.

The letter written by Mr. Wood who is chairman of the A. A. Finance Committee to Mr. Baker, of Illinois, covers the question of dues and the support of the A. A. so well, that it was ordered sent to all members and non-members who are licensed to engage in the small loan business in Pennsylvania.

No advance in the regular State Association dues seemed necessary but the Association went on record as endorsing the plan adopted by the National body at the annual convention.

Chairman Ezekiel reported as chairman of the delegates to the Atlantic City Convention that the activities were many and were well covered in the LENDERS NEWS.

The Citizens Loan and Investment Co., Williamsport, was elected to membership in the Association and the resignation of George H. Myers, of Williamsport, was accepted. The resignation of M. M. Stewart, of Philadelphia, was laid on the table.

Votes of thanks were tendered all of the officers and committees who served the Association during the past year for the efficient manner in which they conducted their offices. Chairman Ezekiel, the retiring chairman, addressed the Association as follows:

"One year ago this month you elected me your chairman to guide the work of of the Penna. I. L. L. Association which I have endeavored to do to the best of my ability.

"But without the coöperation and assistance which was given me by the members and various committees, my work would have been a failure. So you can readily see the honors belong to you, and not to your chairman. A better class or more sociable and free thinking men I have never had the pleasure of presiding over, always willing to give you the full benefit of their knowledge, and advice which has proven such wonderful success of our Association.

"Prior to to-day four meetings have been held during the year in Philadelphia. It was thought best on account of war conditions not to hold any meetings outside of Philadelphia, as has been done heretofore.

"Among the important matter that was taken care of during the year was assistance in the defeat of the Gammon or Morris Plan Bill known as the Ramsey Bill No. 351. The defeat of this Bill, and the passage of the Walker Bill amending the Cox act by eliminating all fees, and working on a flat rate of 3½ per cent. interest per month on balances, on all loans up to $300.00, which went into effect June 4, 1919. It can be plainly seen what important work your Legislative Committee has done.

"Also shows the activity of our Legislative Committee who are ever on the alert to all movements regarding Legislation. (Our Harrisburg member, Mr. Kehr, is indispensable.) I am sure all of you recognize showing the importance of this committee. Where would the Pennsylvania Association be to-day if it were not for the live wires that you have working continually for the sole benefit of your individual interests.

"The Pennsylvania Association also had the honor, and privilege of participating as one of the hosts at the National Convention of the A. I. L. L. Association at Atlantic City in September, an event which never will be forgotten by those who were in attendance, on account of the elegant manner in which it was handled, which in my judgment outshines any National Convention ever held. Thanks to the live wires on the various committees having this affair in charge.

"Then our Publicity Committee, gentlemen, you owe all of the good work given us by the press to the untiring efforts of our Publicity Chairman, Mr. Webster, who is always awake, but when he retires he always sleeps with one eye open, not to miss any chances to get publicity.

"Then comes our Entertainment Committee, a most valuable one, the chairman of which brings all the members close together as though they were brothers, this goes to show that business, and pleasure go hand in hand, and we are indebted to our chairman, Mr. Hart for he always provides for the inner man, and good cheer.

"Last but not least, our Executive Committee, a committee that our entire Association rests and depends on. I cannot express my feelings fully in a manner befitting them. They are tireless in their work, always trying to model an avenue for the benefit of your individual interests, and believing in union there is strength.

"In conclusion I want to express my sincere thanks for the honor you have bestowed upon me, by making me your chairman. Any and all success that has attended the efforts of the Association during my incumbency is due to the tireless efforts of your Executive Committee, which I thank one and all for their coöperation in the good work done, not overlooking particularly the chairmen of various committees, Messrs. Hart, Webster, and Schroder, and I wish to call your particular attention and thank personally our Secretary, Mr. Watts, who has done yoeman work for us one and all.

"I sincerely trust the work of the Association during the coming year will be far more successful under the guiding hand of my successor."

Secretary Watts' annual report indicated that there had been a loss of six members during the past year, chiefly on account of closing business and nonpayment of dues.

Treasurer Harris' annual report indicated that there was received from all sources, $2,034.70 and that there was paid out for legitimate expenses, $1,841.36.

Reports of A. J. Schroder, Chairman of the Executive Committee and Edw. B. Webster, Chairman of the Publicity Committee covered in detail the numerous activities of those committees during the past year.

The following were elected as the Executive Committee for the ensuing year: Messrs. Moss, Forrer, East, Watts, Harris, Schroder, Hubbell, Kehr and Ezekiel. By the unanimous consent, the Constitution and By-Laws were suspended and the following officers were elected for the ensuing year: E. P. East, Chairman; A. S. Hubbell, Vice-Chairman; V. G. Forrer, Second Vice-Chair-

man; C. H. Watts, Secretary; C. H. Harris, Treasurer.

After the business session was concluded, the members retired to the dining room where an excellent banquet was served to all members and guests, which included a number of ladies, for the most part wives of the members. The occasion was brightened by dancing and music, and by the singing of three professional entertainers. The gathering was also favored by Harry E. Clark, Secretary of the Equitable Investment Co., who rendered two excellent bass solos.

The new chairman, Mr. East, acted as toastmaster and dispelled all doubts in the minds of those who attended that he lacked anything in eloquence or wit that this job calls for. The toastmaster expressed the regrets of Arthur H. Ham, of New York, who was unable to be present on account of the serious illness of his son. Mr. East introduced the National Chairman, C. H. Stratton, the Honorable E. R. Cox, H. D. Wescott, Esq., and the Chairman of the Rhode Island and New Jersey Associations, Messrs. Wood and Whitstone, who made interesting speeches endorsing the Association work and pleading for its future support. Secretary Watts and the National Secretary responded briefly when called upon to do so by the toastmaster. Secretary Watts read a communication from George H. Orth, in charge of supervision of small loan agencies in Pennsylvania, in which he expressed his regrets that another imperative engagement called him to another part of the state and for that reason, he could not be present at the banquet.

Much praise is due the entertainment committee which so successfully handled this affair.

MARYLAND.

The activities of the Maryland Association are recorded as follows by W. P. Pentz, the secretary:

The regular monthly meeting was held Tuesday, October 14th, 1919, at the Emerson Hotel. The meeting was called to order by the chairman at 8:15 P. M.

The companies represented were as follows: Lend-U-Money-Bankers, Commercial Guarantee Co., Globe Loan Co., Chesapeake Loan Co., Equitable Investment Co., People's Loan Society, Union Loan Co., Coöperative Loan and Investment Co., Central Loan Co., Surety Guarantee Co., Reliance Guarantee Co., and the Household Loan Co., also Mr. Watts and Mr. Moore of Philadelphia.

The minutes of June's meeting were read and approved, also minutes of the Executive Committee meeting. Several communications were read.

It was regularly moved and seconded that our share of the National Association expense at Atlantic City be paid at once, $30.00. It was paid to Mr. Watts.

It was regularly moved and seconded that the American Loan Co. and Personal Loan Society's resignations be accepted, secretary being instructed to notify each office.

It was regularly moved and seconded that the chairman's expense to the convention be paid—$30.00. This was carried

It was regularly moved and seconded that Mr. Hougham be paid $33.00—expense to convention. This was carried.

It was regularly moved and seconded that Mr. Mattingly be paid his expenses to the convention.

Delegate Mr. Mattingly reported on his trip to Atlantic City as follows: Each member was to pay fifty cents each thousand on investment or maximum $100.00. Each member has one vote. However it is not compulsory for organization to join National Body. There was quite some discussion as to just how many votes each organization was entitled to and secretary was instructed to obtain this information from the National Secretary. After obtaining information and the matter being boiled down by the officers, a multigraphed letter was to be sent to each member as to the result.

Mr. Watts told of Col. Hodson's efforts for Uniform Law. The matter is to come before Bar Committee. In order to defend the three and one-half per cent rate, should it be attacked, Mr. Hubachek and Mr. Hilborn and Col. Hodson will get together and make plans for protecting same.

Mr. Goldrick was appointed Committee of one to prepare budget for the past year up to May inclusive.

It was regularly moved and seconded that Mr. Page, the newly elected bank examiner, be assured of our coöperation over hand of secretary and chairman.

It was regularly moved and seconded that a membership committee be appointed. The chair appointed Mr. Masters, chairman, Mr. Houghan and Mr. Pentz.

The regular monthly meeting of the Licensed Lenders Association of Maryland was held November 12, 1919, at the Emerson Hotel. The meeting was called to order at 8 P. M.

Chairman presided.

The concerns represented were the Commercial Guarantee Co., Reliance Guarantee Co., and Surety Guarantee Co., respectively, by Mr. Mattingly, Co-Operative Loan and Investment Co., by Mr. Hougham, Equitable Investment Co. of Baltimore and Equitable Investment Co. of Cumberland, by Mr. Armstrong, Peoples Loan Society, by Mr. Larson, Union Loan Co., by Mr. Goldrick, Household Loan Co. and Chesapeake Loan Co., by Mr. Pentz, and Central Loan Co., by Mr. Young.

The minutes of the previous meeting were read and approved. Several communications were read by the secretary.

It was regularly moved and seconded that Mr. Kehr's letter be tabled until next meeting, relative to dues, etc.

Mr. Hougham made a motion that the secretary send out bills for $20.00 to cover dues in state association from November 1st to February 1st, at which time a permanent rate for dues will be fixed by the state association. Carried.

The membership committee reported progress and were retained by the chairman and instructed to report at next meeting again.

It was regularly moved and seconded that Mr. Larson of the Peoples Loan Society be appointed committee of one to see the Union Credit Co. regarding the system of information as to applications, etc., he to report at next regular monthly meeting.

MICHIGAN.

At a meeting of the Michigan Association, held in Detroit, October 8, the Association went on record as favoring the new plan of dues adopted at the National Convention.

CLIPPINGS.

Under the caption "Asks for Fair Laws," illustrated by an excellent likeness of our popular National Chairman, C. H. Stratton, the Terre Haute Star, of November 30th, had the following to say:

"Mr. Stratton, recently elected National Chairman of the American Industrial Licensed Lenders Association, said concerning the work of the national body:

'It is the purpose of the Association which is national in its scope, to improve the small loan business everywhere. We feel that we can best do this by seeing that laws are passed in the various states which are fair to both the borrower and lender, uniform in character and providing for supervision and examination by state officials; by assisting in the education of the public in the service rendered by our members; by seeing that they obey the loan laws; and by regulating public advertising so that it may be straightforward and truthful. A number of states, including Indiana and Illinois, have passed what is known as the Uniform Small Loan Law. The provisions are such as to leave no loopholes for the unscrupulous lender and it is the Association's purpose to have this law passed in the states where this law is not already in force.'"

So much interested is Mr. Stratton in the success of our Association that he has made a number of trips to meet the members of several state organizations, and hopes to visit all of them before the end of the year. He recently declined the position of Secretary of the Indiana State Republican Committee.

Under the heading "New Financial Company Organized in Waterloo," one of the Waterloo, Iowa, papers printed the following interesting news item concerning the new business venture of the Chairman of the Iowa Association:

"T. J. Harrison and several other local men having formed a financial company, have purchased outright the business of the State Loan Co., a well-known concern located at 115½ East Fourth street. Since acquiring the State Loan Co. they have further enlarged the business by taking over the business of the Waterloo Loan Co., formerly located at 77½ Bridge street, making the new organization one of the strongest in this section of the country. The accounts and business of the two concerns have been merged and all transactions will hereafter be conducted from the offices of the State Loan Co.

Mr. Harrison has been local manager for the past six years of the State Loan Co., and the business has been greatly broadened and increased under his management. He has been identified with the loan business for a long time and is thoroughly conversant with all phases of the business.

Under his management the new and enlarged company enter into a much broader field with every indication of business success."

Our congratulations and best wishes, "T. J."

In the *Philadelphia Inquirer,* December 5th, the editor of "Everybody's Column," gives the Pennsylvania Association credit in answering an inquiry of some reader who wants to know "who drove the 'loan sharks' out of Pennsylvania?" The names of officers recently elected are given as a part of the answer.

RUSSELL SAGE FOUNDATION.

Many times our members have been asked everywhere what is the Russell Sage Foundation, what are its purposes and functions and what are its interests in the small loan business. It is hoped the following statement by the Foundation will help our members and the public to better understand its purposes and the scope of its work. Please note particularly the statement in respect to the "Division of Remedial Loans," and observe it is not engaged in the business of lending money:

"Russell Sage Foundation, 130 East 22nd Street, New York City (incorp. April, 1907). The endowment consists of the sum of $10,000,000 given by Mrs. Russell Sage. The purpose of the Foundation, as stated in its charter, is the improvement of social and living conditions in the United States of America. The charter further says that it shall be within the purpose of said corporation to use any means which from time to time shall seem expedient to its members or trustees, including research, publication, education, the establishment and maintenance of charitable and benevolent activities, agencies, and institutions, and the aid of any such activities, agencies or institutions already established. It acts through its own departments, which are mentioned below, and through a few outside agencies which are specially equipped to carry on campaigns against certain evils, such as tuberculosis and bad housing. It does not relieve individual need.

"Trustees: Robert W. de Forest, President; Mrs. William B. Rice, Vice-President; Charles D. Norton, Treasurer; Cleveland H. Dodge, John H. Finley, Miss Louisa Lee Schuyler, Mrs. Finley J. Shepard, Alfred T. White; John M. Glenn, Secretary and General Director to whom all communications should be addressed.

"Among other activities it maintains the following:

"Charity Organization Department. To study, teach and publish in the charity organization field, defining that field broadly to include the better coördination of all social service. Miss Mary E. Richmond, Director; Fred S. Hall, Associate Director.

"Department of Child-Helping. Conducts inquiries with reference to dependent, neglected, delinquent and defective children, and promotes improved methods of caring for them. Upon request, makes intensive studies of particular organizations and institutions; furnishes information and advice to those who are founding or re-organizing child-caring agencies, or who are interested in legislation for any of the classes of children named above. Hastings H. Hart, Director; C. Spencer Richardson, Assistant.

"Division of Education. To study methods of public elementary education and promote activities designed to increase their efficiency. Studies and activities: The application of scientific methods and measurements to educational processes and products; the study of factors affecting the progress of school children; the improvement of school records; the conduct of educational investigations and surveys; the promotion of open-air schools and medical inspection of schools, etc. The division issues publications and loans lantern slides. Leonard P. Ayes, Director.

"Division of Statistics. Reviews statistical material intended for publication by the Russell Sage Foundation, and advises the workers of the Foundation and of other organizations as to the planning of statistical inquiries, the preparation of schedule forms and tables, and the presentation of statistical results. Leonard P. Ayers, Director; Earle Clark, Statistician.

"Department of Recreation. To aid in the constructive social organization of leisure time. Methods of promoting and administering facilities for public recreation are studied, and the results made available to municipal and other agencies having to do with work of this kind. Some of the subjects considered are organized athletics and games for school children, the community use of school buildings and grounds, holiday celebrations, plans for playground and recreation building construction; recreation legislation, and recreation surveys. Publications are issued and lantern slides loaned. Lee F. Hanmer, Director; Clarence Arthur Perry, Associate Director.

"Division of Remedial Loans. To conduct a campaign of education regarding the evils of the small loan business; to urge the passage and enforcement of adequate small loan laws; to encourage the organization of remedial loan societies in coöperation with the National Federation of Remedial Loan Associations (q. v.) and to foster the formation of coöperative credit unions. Walter S. Hilborn, Acting Director.

"Department of Surveys and Exhibits. To study and develop the social survey and the social exhibit as measures for community education and improvement. The method of the Department is from time to time to conduct typical surveys and typical exhibits; to collect and study reports, pamphlets, bibliographies, photographs, drawings and other records of survey and exhibit experience and method; to advise with those interested in such undertakings; and to publish practical helps on survey and exhibit work. Shelby M. Harrison, Director; E. G. Routzahn, Associate Director.

"Division of Industrial Studies. Investigations of hours, wages, irregularity of employment, home conditions, enforcement of labor laws, and trade unionism. Special studies of women in industry. Shelby M. Harrison, Acting Director.

"Library. Open free to the public, week-days from 8:45 A. M. to 6 P. M. This library is one of the best working collections in the United States on sociology and social work. It contains about 15,000 volumes, and 30,000 pamphlets. Its files of Federal, State, Municipal, and Institutional reports, and conference proceedings are unusually complete. Two hundred and fifty periodicals are received regularly. Frederick Warren Jenkins, Librarian.

"The Southern Highland Division. The purpose of the division may be outlined as follows: (1) To gather accurate data regarding existing agricultural, economic, educational, religious, and sanitary conditions; to obtain expert opinion as to the best means of improvement and development in these directions; and to stimulate intelligent and sympathetic understanding of the people and their problems; (2) to keep in touch with and develop closer intimacy and coöperation between the local agencies that are engaged in active work in the field; (3) to establish connections for mutual service between the various agencies in the field and such agencies as federal and state boards, railways, water-power and land development companies, health campaigns, and educational and religious conferences; (4) to help the central authorities of agencies which maintain and supervise social and religious work in the mountains to understand and appreciate more fully mountain conditions; (5) to study movements for rural betterment in this and other countries, and to bring to the attention of field workers those which have been found practical in rural districts elsewhere and which would seem possible of adaptation to mountain conditions. John C. Campbell, Secretary; Headquarters, 412 Legal Building, Asheville, North Carolina."

INDIANA.

A meeting of the Indiana Association was held at the Claypool Hotel, 2 p. m., November 20.

Roll call of members by the secretary.

Minutes of the previous meeting held May 19, 1919, were read.

A motion was made and duly seconded that the minutes of the meeting of May 19th, be approved as read.

Mr. Hancock, treasurer, read his report.

A motion was made and seconded that the treasurer's report be approved and filed.

Mr. C. H. Stratton, chairman of the American Association, addressed the meeting. Mr. Stratton outlined the future policy of the national organization and his remarks were timely and of vast interest. Mr. Stratton warned the Indiana Asociation members that it would require diligent effort to protect our laws. He stated that it was to the interest of everyone to see that the Uniform Law was enacted in every state because each state which upheld and enacted the Uniform Law, strengthened our position in Indiana. Mr. Stratton, as delegate to the National Convention from Indiana, summarized the proceeds at the last meeing in Atlantic City.

Mr. L. C. Harbison, of Chicago, addressed the Association. Mr. Harbison substantiated Mr. Stratton's remarks and told the Association that an effort would be made to have the Uniform Law enacted in Kentucky. Mr. Harbison also explained the new plan of dues to the American Association and urged each member to contribute his share at once.

Mr. Ben Blumberg addressed the meeting. Mr. Blumberg made the following motion, which was duly seconded. The Indiana Association fully ratifies and approves the action of our delegates in changing the Constitution and By-Laws of the American Association at the last convention. Carried.

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INDUSTRIAL LENDERS NEWS

Official Organ American Industrial Licensed Lenders Association Which Is a Member of the Chamber of Commerce of the U. S. A.

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OHIO.

December 20th, Chairman J. H. Dyer and Secretary J. F. Anderson sent out the following letter to the members of the Ohio Association:

"The Executive Committee at its meeting, December 10th, fixed January 21st as the date, and the Chittenden Hotel, Columbus, as the place, for holding the regular midwinter meeting of the Association. A short business session will be held at 11 o'clock, which will be followed by our usual dinner and public meeting.

"At this meeting we expect to have with us the chairman and one or more members of the National Executive Committee who will explain what is being done by the national organization in different parts of the country and what will be expected of the various state organizations in support of the efforts of the National Executive Committee. We are trying to arrange to have the National Executive Committee meet in Columbus on this date and have the benefit of their presence during the afternoon session of our meeting. Mr. Barto and all of his inspectors will be present, as shown by copy of letter herewith enclosed. In addition, we may have the governor and attorney-general present. All legislation pending or passed this winter effecting our business will be explained.

"Our executive Committee also have arranged to invite all non-member licensees to attend this meeting and get acquainted with the aims and purposes of our organization. If there are any non-members in your section, you should regard yourself as a committee of one to urge them to come to this meeting.

"The Executive Committee under authority given them at our convention last summer, after full consideration of the financial condition of the association, fixed one-fifteenth of one per cent. of gross loans as the dues of our members for the ensuing year. These dues will be payable to J. Fred Anderson, treasurer, Bushnell Building, Springfield, Ohio, on or before Jan. 15, 1920. A financial statement and budget for 1920 will be submitted at this meeting."

Chairman Dyer received the following interesting response from R. V. Barto, Chief Examiner, Chattel Loan Division, Department of Securities:

"Your very courteous invitation extended in your yetter of the 11th to Mr. DeWeese, Mr. Brown, Mr. Lear, and myself to attend the midwinter meeting of the Ohio Loan Association in Columbus, on January 21st next, has been received. You are of course aware that I have always, since being in office, attended every public meeting of your Association, and I can safely promise that we will all be present, unless some unavoidable or unforseen circumstance should occur to prevent.

"You do *not* know what a high estimate I place on the value of these meetings, to say nothing of the pleasure incident thereto. The opportunity to exchange ideas with your members from all parts of the state is invaluable to me for the reason that the fuller usefulness of the department can only be obtained by a fuller understanding of the views of all licensees and a knowledge of the various problems as they arise, and this mutual understanding can be best arrived at by personal contact. Please pardon this one criticism of your Association. It should include in its membership all licensees of this division.

"There is no phase of the Lloyd Act and no part of the small money lending business that is not of intense interest to the department, and in place of any remarks from the Chief Examiner, might I suggest that an informal discussion be had by all of any topics which might be brought up. In such discussion, I would be very pleased to take part and answer as fully as possible any questions.

"Thanking you for this opportunity for better acquaintance with your members and with assurances of my esteem, I am,

NEW YORK.

Finding it impossible to do business at a profit under the existing rates permitted for small loans under the New York law, another corporation, the Merchants Personal Loan Co., 44 Court Street, Brooklyn, has been compelled to terminate its corporate existence and dissolve its business.

ILLINOIS.

At the annual election of the Chicago Association of Commerce, Ways and Means Committees, held December 23d, Subdivision No. 55 (Licensed Lenders), L. C. Harbison was elected chairman; Chas. Turgrimson, vice-chairman; and L. T. Baker, A. L. Weinschenk, J. A. Breen, C. R. Napier, members. The A. I. L. L. A. is pleased with the recognition by one of the largest local business men's organizations in the country of the business represented by its Illinois members, and congratulates the men thus honored.

Secretary L. T. Baker requests the publication of the following announcement:

"We will hold the next quarterly meeting on the last Friday of January, which will be January 31st, and we will appreciate your making that announcement in the next issue of the News, accompanied with an invitation for any of the national officers or any other member throughout the country, to be with us at that time if he happens to be in Chicago, or if he can conveniently arrange to come."

COMMUNICATIONS.

New York, Dec. 20, 1919.

Dear Mr. Kehr: I have looked over with interest the Year Book of your Association, a copy of which has just come to hand. It contains a good deal of interesting matter. It seems to me the standard of the papers presented by the members and others is very high. I should be glad if you would send me, with bill, about three copies of the Year Book if they are available.

May I point out that Mr. Hilborn's paper was first read at the National Federation Convention, and will of course be included in the Bulletin of the Federation which has just come from the printer. It would have been a good idea, I think, to have indicated by footnote in your Year Book that Mr. Hilborn's paper was originally read at the Federation Convention and repeated at your convention by request. No harm has been done and no offense given. I am merely speaking of the matter in the interest of accuracy.

Very truly yours,
Arthur H. Ham.

VIRGINIA.

A. B. McMurtrie, secretary of the Virginia Association, has sent out the following call for a meeting in Lynchburg, January 8th:

"A meeting of the Industrial Licensed Lenders Association has been called by the vice-chairman, Mr. J. S. Edge, to be held at the offices of the Lynchburg Building & Loan Co., Inc., 214 Eleventh St., Lynchburg, Va., on January 8, 1920, at 1 p. m.

"A number of out-of-town people are expected, so come and bring along your ideas, and views, and lets make this *the* meeting of the year."

HELP WANTED.

One of the large operators with interests in several states, desires a competent manager for a good sized office. If interested, state age, married or single, experience, references, and salary expected. All applications will be considered confidentially. Address: National Secretary, P. O. Box 778, Harrisburg, Pa.

INDUSTRIAL LENDERS NEWS

Established 1916.

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Correspondence and items intended for publication should be addressed to Geo. W. Kehr, 204 Chestnut St., Harrisburg, Pa.

Communications cordially invited.

AMERICAN INDUSTRIAL LICENSED LENDERS' ASSOCIATION.

NATIONAL OFFICERS, 1919-1920.

Chairman, C. H. Stratton, Sullivan, Indiana.
Treasurer, J. H. Aufderheide, 860 Lemcke Annex, Indianapolis.
Secretary, G. W. Kehr, 204 Chestnut St., Harrisburg.

VICE-CHAIRMEN.

Conn.—A. S. Edwards, 42 Bank St., Waterbury.
Ill.—L. C. Harbison, 81 E. Madison St., Chicago.
Ind.—A. C. Broughman, 304 Marion Natl. Bk. Bldg., Marion.
Iowa.—T. J. Harrison, 115½ E. 4th St., Waterloo.
Md.—William Young, 419 Munsey Bldg., Baltimore.
Mich.—F. E. Stroup, 507 Commercial Bank Bldg., Grand Rapids.
N. J.—J. W. Whitstone, Frost Bldg., Plainfield.
Ohio.—F. J. Schneider, 2063 E. 4th St., Cleveland.
Pa.—E. P. East, 175 Fifth Ave., New York.
R. I.—W. G. Wood, 268 Westminster St., Providence.
Va.—J. E. Edge, 202 N. 1st St., Richmond.
Unorganized States.—R. M. Rutherford, 202 Coleman Bldg., Louisville, Ky.

COMMITTEES.

Chairman, Auditing, E. P. East, 175 Fifth Ave., New York.
Chairman, Finance, W. G. Wood, 268 Westminster St., Providence.
Chairman, Law, F. R. Hubachek, Esq., 610 McKnight Bldg., Minneapolis.
Chairman, Legislation, R. M. Rutherford, 203 Coleman Bldg., Louisville.
Chairman, Membership, W. A. Zumpfe, 701 Odd Fellows' Bldg., Indianapolis.
Chairman, Publicity, A. V. Hart, 1020 Chestnut St., Philadelphia.

The National Council is composed of the National Officers, Vice-Chairmen, and Committee Chairmen.

STATE SECRETARIES.

Conn.—H. G. McMullin, 757 Main St., Hartford.
Ill.—L. T. Baker, 109 N. Dearborn St., Chicago.
Ind.—R. C. Aufderheide, 860 Lemcke Annex, Indianapolis.
Iowa.—D. Esmond, 312 Century Bldg., Des Moines.
Md.—W. P. Pentz, 111 N. Charles St., Baltimore.
Mich.—H. D. Firth, 407 4th Natl. Bk. Bldg., Grand Rapids.
N. J.—P. L. Alberse, 411 Romaine Bldg., Paterson.
Ohio.—J. Fred Anderson, 401 Bushnell Bldg., Springfield.
Pa.—C. H. Watts, 1011 Chestnut St., Philadelphia.
R. I.—J. H. Wickstrom, 87 Weybosset St., Providence.
Va.—A. B. McMurtrie, 417 E. Broad St., Richmond.

OBJECTS.

The objects of this Association shall be to improve the small loan business; to advocate legislation, having the approval of this Association, uniform in character and providing for State License and Bond, and supervision and examination by state officials; to assist in education of the public to the service rendered by our members; to obey the uniform loan laws ourselves and police the business; to regulate public advertisements and circulars, so that they shall be truthful and straightforward; to establish uniformity in forms, books, and accounts, satisfactory to the licensing officials; to maintain good relations with all state officials and their examiners, and deal with them frankly in a spirit of coöperation; to assist and coöperate with all members of this Association and affiliated state associations in respect to accurate credit information, and assist in the collection of accounts, dealing with them always in a spirit of fraternity and helpfulness; to provide occasions for pleasant social intercourse between members.

CALIFORNIA.

The statement which follows was made by Albert C. Auger, Manager, San Francisco Remedial Loan Association, at the Eleventh Annual Convention of the National Federation of Remedial Loan Associations held at Minneapolis, June 26-28, 1919, and is reprinted here by permission from the Bulletin published by that organization:

"In 1915, a well-meaning gentleman, State Senator Brown, of Los Angeles, conceived the idea of rescuing the oppressed public from the hands of the loan shark by means of a usury bill, framed by himself. The Brown bill proposed to establish one per cent. per month as the legal rate for small loans in California, and to permit the charge, in addition to interest, of a fee of five per cent. on loans less than $1,000 and three per cent. on loans over $1,000 where the contract was for a period of not less than six months.

"The bill was put before the state legislature in 1915, and immediately the San Francisco Remedial Loan Association took steps to oppose its passage. With the assistance of prominent business men of San Francisco, we finally convinced the legislature that the bill was a poor one, was obstructive rather than constructive, and that its passage would not bring about the desired results. With the success of our first attempt to ward off the over-zealous lawmaker whose lack of practical knowledge of the subject would make his enactments dangerous to our cause, we threw ourselves into the fight in earnest, and determined to advance a bill of our own design, following in a general way the Uniform Small Loan Law, with such deviations as local conditions demanded. The San Francisco Remedial Loan Association, through its sponsors and executive officers, gave much study and work to the new bill, and in 1917 we presented, under the patronage of Senator Gates, a bill which we honestly felt to be the stepping stone to ideal conditions of the small loan business in our State.

"Our bill sought to maintain the then existing legal rate of two per cent., but its outstanding feature was the placing of all small loan brokers under the supervision of the State Commissioner of Corporations, whose powers should be sufficiently broad to enable him to acquire, in the course of a few years, firsthand data on small loan operations throughout the State. The State would thus in a short time have been in a position to determine the actual average costs of small loan broking and be governed thereby in establishing a rate of interest compatible with the welfare of both borrower and lender.

"Not long after we offered our bill in the legislature, we discovered that Senator Brown was back with his pet usury law. Proponents of our remedial measure appeared before both houses of the legislature, and some of the best orators in San Francisco were glad to speak in behalf of the bill because they believed in it, and in its purpose. Our great handicap, however, was our lack of knowledge of the ways and means to best bring our fight before both houses of the legislature in a manner so forceful as to command the honest and unbiased consideration of its members in weighing the merits of both bills. We realized our weakness too late, however, for, while the bill was passed in the upper house, it failed to come before the lower body until the last day of the session. With adjournment in sight and a large number of assemblymen absent, a somewhat disinterested vote was taken, and the bill was defeated. We lost our own fight, it is true, but we were victorious to the extent of defeating Senator Brown once again, for his measure failed in both houses. Of the two bills, I am glad to say that ours was the more favorably received and had we been more experienced in conducting a legislative campaign I am satisfied that our measure would be law in California to-day.

"Our satisfaction in routing the opposition was short-lived however for Senator Brown, by taking advantage of the public's animosity toward loan brokers, secured signatures to an initiative petition with the result that his bill took shape as a proposed amendment to the State Constitution and was voted upon in November last year.

"Throughout the southern part of the State the Senator played up the loan shark evil in approved fashion, using such slogans as 'Swat the Loan Shark' and 'Save Our Soldiers and Sailors from the Loan Shark.' San Francisco, realizing through the operations of the San Francisco Remedial Loan Association these last seven years, what remedial work means to a community, defeated the amendment decisively, and solely, I believe, through our advocacy of real remedial legislation as against the attempts of radical reformers to cure the evil without giving sufficient encouragement to the legitimate competition that would wipe out usury in all its forms. Southern California, though, the scene of all Senator Brown's activities, both in securing signatures for his initiative petition and subsequent publicity against loan sharks, went strongly for the amendment, as did practically all of the rural districts of the State, with the result that San Francisco's majority vote against the bill was overcome by the affirmative vote of the rest of the State, and the measure was carried. It became a law about January 1st of this year.

"Outside of our Association, I am not personally aware of any institution that is living up to the new law. In San Francisco the district attorney caused the arrest of several pawnbrokers who were charging interest in violation of it; but in dismissing the cases in the local police court, the judge interpreted the law as allowing brokers to charge the fee *monthly*, as well as the rate of interest prescribed. That would mean that a pawnbroker could charge a fee of five per cent. each month, in addition to his one per cent. interest—six per cent. in all, or 72 per cent. a year—and the bill was designed to put an end to usury!!! Of course, these cannot be considered as test cases any more than the opinion of the police judge can be deemed as final. Yet it serves to show how the bill has been received by the powers that be in this community. To-day pawnbrokers are printing their tickets with an interest rate of one per cent., and with an appraisal fee of five per cent., but when it comes right down to cold cash, they collect all the traffic will bear. The law is scoffed at, and it remains mute on the statutes because it

carries no provision for its own enforcement.

"The San Francisco Remedial Loan Association on January 1st adjusted its rate to conform to the changed legal requirements, although a reduction to one per cent. had been under consideration for some time. Our rate on pledge loans is one per cent. without any other charges, but we are forced to avail ourselves of the fee provision on chattel loans in order to meet the heavy overhead on account of investigations. As it is, I find that our chattel department is just holding its own under its reduced revenue. On the whole, however, our operating at the lower rate since the first of the year has tremendously increased our volume. I am confident that right now we are doing at least eighty per cent. of the business in San Francisco, and we have added over $140,000 to our loan balance in the last five months!

"What I have said concerning the loan brokers in San Francisco is substantially true of the business throughout California to-day. *The situation is far worse now than ever, and nothing short of an educational campaign can bring about a change in conditions.* As I have said before, San Francisco and its immediate vicniity knows the value of real remedial work, but the carrying of the message to other sections of our State is a staggering task. When you consider that two-thirds of the voters of California must signify their disapproval of the existing statutes before we can hope for any relief, I am sure you will agree with me that the outlook in the far west is not encouraging, to say the least."

HOW TO BUILD UP A LOAN BALANCE.

A. L. Whitmer, Sioux City, Ia.

Somewhere in the heart of every man there is a desire to be independent. Independence is the measure of one's standing in the community. The first step along the road to independence is to be free of past due obligations. When one can eliminate the worry of past due bills, which are bound to occur in a large percentage of home, by making an instalment loan, that person is better fitted to do his work well.

This is the theory upon which to work to increase the volume of business, thereby building up a larger loan balance.

The time is not far distant when legitimate competition in small loans will be quite as keen as in any other line of business—and in some cities it is at the present time. It must be borne in mind that a loan company's principal stock in trade is the service it can give its customers. Other lines of business can specialize in one class of merchandise or another, where quality, price or design enter into the sale, but the loan man has but one thing to sell—and that is service.

We spend thousands of dollars yearly in advertising—all with the view of attracting new customers. It is not enough that you let them have the money, showing them a table how the loan is to be repaid and explaining thoroughly the total cost to them, but you must make them feel at home. They are skeptical and suspicious, and they are anxious to know the kind of treatment they are going to receive from you.

Most managers who fully sense this matter of advertising are not nearly as concerned over bringing the new customer to the office, as they are of the courtesy and service the new customer is to receive at the hands of the employees after his name is entered on the books. "Service without courtesy is not enduring." Care must be taken by all of us lest some little tactless or even unintentionally discourteous act nullify all the persuasion or advertising used to bring us a new customer. In answering their questions, be sure the information you give them is correct. A while ago, I had a borrower ask me if his mortgage was recorded. He was a responsible party and I advised him that it was not, and I was sincere in telling him and thought I was telling the truth. Later the borrower discovered that the mortgage had been recorded. We lost a customer and are no longer receiving any applicants for loans referred to us by him.

All kinds and conditions of humanity go to make up our clientele. Financial embarrassment or distress comes to all people and all classes. Probably in no other line of business can you so clearly observe the workings of the mind of your customers as in loaning money, for when you have to treat with the money side of their nature ,they are sure to show their true self. Thus we have the suspicious, the careless, the miserly, the exacting, the old, the feeble, the foreigners, and those ignorant of business usages, all of whom require patience and protection. The common approach to all these customers is by courtesy. Through this medium the greatest service may be rendered, and the largest loan balance attained.

Here are a few rules, which are bound to increase balances:

Learn to say "Thank you."

Cultivate a cheerful disposition.

Try to get the good will of all the people who come into your office.

Be thoughtful of children. Don't forget that the child of to-day is your customer of to-morrow.

Cultivate your influence in your community. Every manager has an influence that radiates from him.

Be prepared to do little favors for your borrowers, such as paying their rents or taxes, when inconvenient for them.

Be patient with people who are not familiar with business usages. Never argue with your customers; influence them by persuasion.

Do not contradict your customers, even if you know them to be in the wrong. Use all the tact you possess with the view of showing the customer wherein he is wrong, and after you have shown him consider the incident closed.

It is better to make a poor loan, than to turn down a good one. The most of our new customers are recommended to us by people who have had dealings with us. If I am in doubt regarding an applicant for a loan, after investigating thoroughly I will make the loan. These are cases which do not happen often, for we can usually obtain information which eliminates any doubts.

We all have applicants who attempt to borrow money upon furniture which they do not own. When they are not clever enough to cover up their tricks, I tell them that the records show they owe the piano or furniture house so much money, and before we can make the loan it will be necessary for them to bring us a receipt showing payment in full, which ends the negotiations, and the application is filed away for future reference.

We try to have every borrower establish his own credit with us, and will often give him a second chance to make good. It is well to be careful, in your conversation with your family and friends, not to divulge the relations of the customers with your company. I do not believe any thing will do greater harm than to have it known that information of this kind is leaking. We have all kinds of people to deal with, and have never found a person who did not resent his affairs being talked about by others.

We use two forms of notices to borrowers when their loan has been paid in a satisfactory manner. The first is printed on a card showing our officers and some of our stockholders, and the notice reads as follows:

"Please accept our thanks for the business-like treatment your loan has received.

"We assure you of our appreciation of your kind favors and request that you command us whenever we can be of service to you."

And when we send the same borrower a second notice, it is after he has repaid a second or third loan satisfactorily. The second notice of appreciation is in the shape of a recommendation, which reads as follows:

"ENDORSEMENT OF CREDIT."

"KNOW ALL MEN BY THESE PRESENTS: That the party whose name appears above has had a number of dealings with us. Our connection with him has been very satisfactory, and he is now recognized as one of our preferred customers.

"Therefore, be it known to whom it may concern, that the undersigned can testify to the honesty and prompt discharge of all obligations of the above party in his dealings with us, and recommends him for full confidence and credit anywhere."

We have never had very large results from circularizing the town with pamphlets on "How to borrow money in small amounts confidentially on your own merits." Get a good location. The best in town is the cheapest. A second floor corner suite is preferable. Use your window space to announce your business; people will see it going north, south, east and west, and while waiting for street cars. Advertise in the classified loan columns, and change your "ad" at least six times a year.

The above paper was read by A. L. Whitmer, President of the Provident Loan Association, Sioux City, Iowa, at the eleventh annual convention of the National Federation of Remedial Loan Associations held at Minneapolis June 26-28, 1919. It is reprinted here from the Bulletin published by that organization by permission.

NEW JERSEY.

Chairman J. W. Whitstone, of the New Jersey Association, writes the following interesting communication to the National Secretary:

"I was appointed as a committee of one by some of the New Jersey members to interview the New Jersey Bank-

ing Department relative to certain cumbersome monthly reports of loans made and loans settled, and, may I report to you that after many conferences and voluminous correspondence, that I finally succeeded in convincing the "Department" that such methods of keeping tabs on members bent upon dignifying the industrial loan business, were not only obsolete, but inconsistent to the principles laid down both by "A. A." and the New Jersey Industrial Licensed Lenders' Association.

"This, of course, will come in handy to further impress upon some doubtful members the necessity of 'Association work' and the results to each and every member, particularly when I am anxious to retain all our members in the 'A. A.' so I thought a good letter from you upon the subject, or perhaps an article in the NEWS, may be fruitful in this respect.

"Our legislature opens here in this State within a few days and I have just appointed a committee of three (at the suggestion of Mr. Watts) to coöperate with me in the matters 'touching on and appertaining to' the industrial loan business in New Jersey, and I shall be pleased to keep you wised up from time to time."

Chairman Whitstone has appointed S. H. Vogel, Trenton; C. H. Watts, Jersey City, and F. Simon, Paterson, on the committee to look after legislation in New Jersey during the present session of the New Jersey legislature.

AN OLD PROVERB.

"He that is surety for a stranger shall smart for it; and he that hateth suretyship is sure."

FIELD SECRETARY.

By and by, or as soon as the Executive Committee of the A. I. L. L. A. is assured that its members will support it financially by paying the dues as provided in the new constitution adopted at Atlantic City, in September, it will take up the serious consideration of the employment of a man of proven ability to give all his time to the field work of the Association.

It must be clear to all our members that one competent man giving all his time to the work and traveling about the country on Association business, can accomplish more than a number of busy men with other personal interests requiring their attention, but it will require a substantial sum of money, and that lift must come from the membership, big and little, according to their investments.

Dues for the first six months are payable to the A. I. L. L. A. February 1st. If it appears that a sufficient number of members recognize the importance of having the association work done as it should be and pay their dues, the Executive Committee will be encouraged to consider applications for the position of "Field Secretary." Some applications are before the committee at this writing, but no candidate will be selected until the funds permit and an opportunity has been given for all our members to express their choice as to who the man shall be and what they consider as requisite qualifications.

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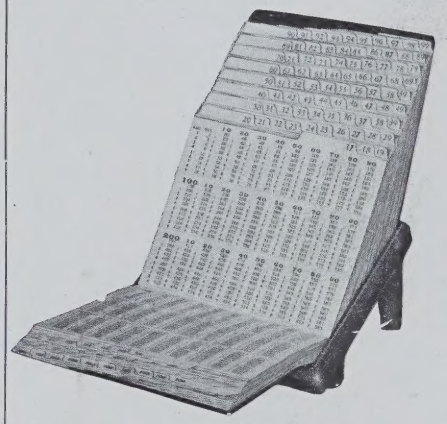

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INDUSTRIAL LENDERS NEWS

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OHIO.

Secretary J. Fred Anderson sends us the following interesting account of the meeting of the Ohio Association held last month:

Members, friends and guests of the Ohio Loan Association to the number of fifty-nine were seated at the banquet tables at the Chittenden Hotel in Columbus, Ohio, January 21, 1920. This meeting stands out as one of the bright spots in this Association's existence. If the gentle reader of this account wishes for any proof of it, just ask any one who was there and as a cap sheaf to the proof and a clincher to the argument we offer in evidence the statement of a gentleman from Indiana who says that it was one of the best meetings he ever attended, and wishes that the Ohio bunch would put over such a meeting in Indiana, and when you get a man from Indiana to say a thing like that you can put it down as the truth.

Colonel Stratton, chairman of the A. A., opened the ball with an address which furnished animation for several of the speakers following him. In fact it reminded us of the old story of the Englishman who always told the story wrong. He, one morning was asked if he had heard the big noise, to which he replied, "What noise?" Answer, "Illinois." He thought that a good story and proceeded to spring it on the next friend he met, and inquired if he had heard the big noise. Question, "What noise?" Answer, "Indiana."

The Association was distinctly honored by the presence of no less a person than Hon. James M. Cox, Governor of Ohio; Hon. John G. Price, Attorney General of Ohio; Hon. Judge Berry, of the Securities Department; Col. R. V. Barto, of the Chattel Loan Department, and other state officials. Both the Governor and Attorney General were good enough to address us and each emphasized most strongly the opportunities of the loan men in their daily intercourse with the public to use the opportunities to instill patriotism and faith in the principals of our government. So much were we impressed by their remarks that before the close of our meeting a resolution was unanimously adopted as follows: Be it

Resolved, That the members of the Ohio Loan Asociation deeply appreciate the lesson of patriotism received from the address of James M. Cox, Governor of Ohio, and Attorney General John G. Price, and that we do pledge ourselves that in our daily association with our customers we will use every opportunity to combat the apparent unrest and dissatisfaction with government and to instill ideas of respect for government and faith in its future.

The future of the American Association and what it hopes and aims to accomplish was ably presented by Chairman Stratton, Mr. J. H. Aufderheide, Judge Dyer and others and the plan of membership therein fully explained. Colonel Pond, of Cleveland, moved that it be the sense of the meeting that the National Association should be supported and made a strong appeal for his motion, and pointed out the value of organization and the value of coöperation between the various states. This resolution was duly seconded and unanimously carried and we feel that Ohio may be counted upon for a very large representation in the national body. The spirit of optimism was manifested in all of the remarks which were made and we feel that the mid-winter meeting was one of great benefit and only regret that twice the number were not present.

At the mid-winter meeting of the O. L. A. in Columbus on the 21st of January, 1920, J F. Anderson, secretary of the organization, called attention to the fact that there was no excuse why each licensee in the State of Ohio should not become a member of the Association, pointing out that it was only fair and right that each licensee, receiving as he does, the benefits which naturally flow from the Association, should, and as a mere fact would if properly approached, be only too glad to contribute toward its support. He further called upon each member present to constitute himself as a committee of one, to secure the application of some licensee to join the Association.

Mr. M. L. Anderson, cashier of Mansfield Provident Company, has started the ball rolling, and has turned in to the secretary the application of Mr. H. A. Taylor, of Zanesville Provident Company. Members of the O. L. A. please take notice, and "Go and do thou likewise."

We are indebted to the Ohio Association for the stenographic report of the addresses of Governor Cox and Attorney General Price which follow.

CHAIRMAN DYER.—Now, gentlemen, it will not be necessary for me in any extended remarks to introduce to you the next speaker, to whom we will have the pleasure of listening. As the first speaker has said, we are under state supervision and state inspection, and I want to say that in Ohio now, that term, "Inspection and Regulation," has meant something to the men engaged in the loan business. Our inspections at least have been thorough, and every honest loan man should desire at all times that kind of regulation and that kind of inspection. If we are to elevate the loan business to that high place which it should have in our state so that it may have the standing of building and loan companies and banks, we should invite the State of Ohio at all times to enter our business, our offices, and inspect our books and see that we are keeping strictly within the law. That has been the rule in Ohio and it is gratifying to me to be able to introduce to you the man that I regard as our friend, because his name appears at the bottom of the law which is in force in this state, which is known as the Lloyd Act. I now have the pleasure of introducing to you for a few minutes' talk the Governor of Ohio, Honorable James M. Cox. (Long continued applause, audience standing.)

GOVERNOR COX.—Mr. Chairman and Gentlemen, I am persuaded to believe that Sullivan, Indiana, is the center of organization, because it is there that both Mr. Stratton and Will Hays lives. (Laughter.) And if what we understand as organization was not conceived in the first instance in Sullivan, the center of the organized universe, certainly it received there its finishing touches. The thing that interests me is to know whether Hays derived his inspiration from Stratton or Stratton takes his inspiration from Hays. (Laughter.) I have enjoyed my visit with Mr. Stratton. Although I have never had the pleasure of meeting nor of greeting Mr. Hays, as one who lives on the other side of the party wall, I can pay him the compliments of one who can, I believe, visit some discriminating sense on the quality of his labors. He is a mighty smart fellow, and we Democrats understand it. (Laughter.)

I want Mr. Stratton, however, to become possessed of no misleading ideas. I might understand how a man living in Indiana would look with favor, if not enthusiasm, upon the prospect of leaving that state and moving to Washington. But in Ohio, it is different. (Laughter and applause.) And he who has lived under the blue skies of this state long enough to understand the diversified qualities of our resources and the stuff that is in our people cannot but accept with great unhappiness even the suggestion that we move to Washington. (Laughter and applause.)

There is one thing that we are always disposed to condone, and that is the enthusiasm of our friends. Men have been generous enough to speak of me in connection with a great and exalted station. And yet I want both they and you to realize that my personal vanity is not fooling me a bit. I am very much in the state of mind of the old fellow ninety years of age. He likes to hear discussed the romances of youth, even though he knows full well

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R. I.—J. H. Wickstrom, 87 Weybosset St., Providence.
Va.—A. B. McMurtrie, 417 E. Broad St., Richmond.

OBJECTS.

The objects of this Association shall be to improve the small loan business; to advocate legislation, having the approval of this Association, uniform in character and providing for State License and Bond, and supervision and examination by state officials; to assist in education of the public to the service rendered by our members; to obey the uniform loan laws ourselves and police the business; to regulate public advertisements and circulars, so that they shall be truthful and straightforward; to establish uniformity in forms, books, and accounts, satisfactory to the licensing officials; to maintain good relations with all state officials and their examiners, and deal with them frankly in a spirit of coöperation; to assist and coöperate with all members of this Association and affiliated state associations in respect to accurate credit information, and assist in the collection of accounts, dealing with them always in a spirit of fraternity and helpfulness; to provide occasions for pleasant social intercourse between members.

that his part in their enjoyment is past. (Laughter.) And while I permit my friends to indulge their enthusiasm, because I am happy to know that they have confidence in me, yet they are not fooling me at all. (Laughter.)

When Abraham Lincoln made the statement that he was unfit to be president, what must we of this generation think of ourselves in any attempt to measure ourselves up to the standard of that exalted station? So much for that.

I have enjoyed this address, and if you will permit a suggestion, I think it ought to be printed for your good and the public's good. If any of us at any time are disposed to run along the trails of pessimism, we ought to stop short and take count of this re-assuring circumstance of the times, that is, the ultimate fairness of public opinion. I heard it stated at a meeting last night by a gentleman who was once Governor of the State that it was charged against him in one of his campaigns in which he was a candidate for the legislature that he had in some way been responsible for the passage of a law that would make it possible to lay a brick pavement in the rural precincts of Ohio, and it was then a telling, if not a very prejudicial argument. To-day it is laughed at.

The time was when the public did not regard with favor the profession to which you gentlemen are attached, and public opinion, I imagine, at least the better part of public opinion, inwardly inveighed against it; but that same opinion in the ultimate was fair enough to recognize this, that there was a real definite function for this business, and that it was an instrumentality that ought to be preserved. So that finally the legislative mind centered upon the task of working it out, and with the art of the chemist almost, the elements that were unworthy were discarded, and the things that were worth while were preserved.

I am prepared to make this statement, and in doing so, it is not for the purpose of indulging a fulsome word that would be pleasing to your senses, but I make bold to say that the legalized loan office is more of a necessity in a great industrial community than perhaps a bank, for this reason: it is the poor man who, when he needs money, needs it worse. He is absolutely unable in all probability to go anywhere except in that community and gain credit of some sort of fashion. The man whose business and its necessities take him to the bank can ordinarily make his loan in New York or Chicago with the same facility that he can here. Now there is psychology about your business, and, legalized, it has worked a very definite gain in the life of the state. The poor man, for instance, who is pressed by untoward circumstances, sickness or death, which may by chance invade his home, and who must have money, can go nowhere except to the loan agent so-called. If he were not able to gain this assistance, he does not take the time to lay the criticism where it ought to be laid, to society, as we understand it, but he always turns in bitterness toward government. If things are not just right, the judgment within, the lay judgment, tells him that in all fairness a hard working man who demeans himself properly and in an orderly manner is entitled to some assistance when disaster or ill fortune befalls him. He knows it ought to be, and if it is not, he is embittered against the institutions of government. The task to which we must now apply ourselves, the most pressing task that confronts our people is that of holding the confidence of the great mass in the fairness and the justness of the institutions of our republican form of government. Therefore, you men are engaged in a very necessary work. But I want, without holding brief for Mr. Stratton or his national organization, to impress upon you men that you have an interest, not only in keeping the status quo preserved in Ohio, but of seeing to it that the principle as it has been written in the law in Ohio must be carried into other states as well. I need not make a plea to your imagination in order that you will understand how many thousands and tens of thousands of people come into this state every year. The American citizenship is discriminating and at its first opportunity it lives at some time or other in the brief span of life in the best state of the Union. (Laughter.) But suppose he comes here from a state where your busines has not been legalized and he brings with him the criticism and the bitterness it has grown from his contact with conditions in the state in which he lived? Now, there is an old maxim that when one man relates to another something that is either ill or evil, that the teller and the one who is told makes two, and they make eleven. And there is something in that maxim that we can afford to reflect upon.

Time was when we did not regard the things far away as of any consequence, but the planet is so small that we have written into our imagination without any trouble whatsoever that this land of ours no longer has distance as a factor, and if you have unwholesome conditions in most or any of the states in this republic, it behooves you, even though you live in the midst of very satisfactory conditions here, to help your national organization to wipe the dark spots as we may properly characterize them off of the map of the United States. So much for affairs purely of shop.

It matters not how much we are interested in the success of our business. It matters not how often we are told that the material things of life come as the result of our application to the task that we may call our profession. There is within us all an interest in the preservation of this republic, and in the maintenance of the civilization which has made life in America delightful, and I wonder whether those of you who have come in contact with government realize the measure and the character of the things elsewhere in the world that menace the civilization of the present day.

Time was when it mattered not what took place overseas. It did not seem to concern us. We were free in this land from war. They might have adversity and depression with the sinking of value in the national symbols of value as we understand them, yet America has gone along. As the result of that we seem to have become possessed of the philosophy, unsound and fallacious as it was, that God took care of imbeciles, children and Americans, and that as He

preserved the stars in their fixed places in the heavens He would always preserve for us the institutions of government given us by our fathers.

Now, the truth of the matter is that our institutions are not as changeless as the stars. They were given to us by the providence of God, of course, but they will be kept for us just as long as our vigilant patriotic support of them justifies, and no longer. For hundreds of years the rest of the earth lived within their own domains in the main. They had their troubles, their controversies, and some wars but in the first instance there were only three races of people in all of Europe, and now perhaps there are a hundred or more. In time those three were split up. The location of rivers, of mountains, the varying elements of climate, determined the home and the abode of given groups of people. And throughout the years they developed their customs, they developed their language, they developed their symbols, and became known as the individual racial groups of the earth. But they stayed unto themselves.

Now, the evolutionary processes have made many changes. There has been an interchange by and between these racial groups. Then the war came along and shook this earth to its very base. There has been a scattering, and a racial impulse has been aroused as it never has been aroused before. As the result of that we find in America in practically every community of any size aliens, drifting without American purpose, all for the very simple reason that they have not been Americanized. We have been entirely too careless. I cannot say too hospitable in the first instance, because it was the intention of the Almighty beyond question that this hemisphere should be preserved as the asylum for the opposed people of the earth. We have had industrial troubles, more in this state than you know about. It would not have been wholesome, certainly not helpful, certainly unwise policy, for the governor to have acquainted the people of this state with the real conditions attendant upon industrial controversies of the last few months. In every instance where troubles arose we found that mischievous spirits provoked it, and in every instance the mischievous spirit was an alien. And when I use the term "alien" I mean that he was not a citizen of this republic.

I have no disposition to provoke any racial bitterness. We speak all too flippantly of Americanism sometimes anyhow. We gain the idea that if we were born in this country and have been here since our first, second, third and fourth grandfathers, we are true Americans. The truth of the matter is if we go back far enough we will find that our forefathers all came from overseas, and those whose forefathers perchance came later than ours are entitled to be taken on the test of their records here, and in many instances, most instances, of course, they are as good Americans as we are. But too many captains of industry in the past brought the hoards from overseas and carried them into the mines and factories and forgot them. They had no desire to Americanize them, because their Americanization certainly meant an acceptance of American ideals, of higher standards of living, and probably better wage and working conditions. So that some who have had trouble have only gathered the sheaves of the harvest, the seeds for which they themselves have sown.

I said to the miners not long ago when they assembled in this city,—and I was somewhat plagued in my thought as to just what I would say to them—I impressed upon them this, that they must recognize authority, they must take the public into their confidence, and they could absolutely trust public opinion under all circumstances in the ultimate to be absolutely fair with them. But I laid down the proposition without any reserve that the alien who has been in America long enough to become a citizen and who has not possessed himself of that great privilege has no right to carry the union card in the miners' organization nor in any other American organization, no matter what it is. (Applause.)

But it will come out all right. I am sufficiently optimistic to believe that. We profit by our mistakes, and the experiences of the past ought to steady our purposes in the future. We have only to remember the fundamentals of our government, and to hold to the precepts of the old rugged pioneer stock from which we came, and there will be no question about our seeing the rainbow in the very near future. (Long continued applause.)

Chairman Dyer.—It would be unnecessary to make any comment upon the talk that has just been delivered, because you have already expressed your appreciation of the sentiment, and of what has been said. I know you will all be interested, gentlemen, in hearing from another state official. It so happens at this time that present Attorney General comes from the Columbus Bar, and I happen to know more or less about that gentleman. I haven't time to go into his record except to say that he is a young man ,although perhaps his hair and the condition of the top of his head does not so indicate. But he has held one or more prominent positions in our city and county, and by the votes of the people of this state last year he has been elevated to the highest legal position, and is rightfully occupying the place of the leader of the bar of this state. I know you will all be interested in hearing a few remarks at least from the Attorney General, Mr. John C. Price.

Attorney General Price.—Mr. Chairman and Gentlemen, I came here to-day more as an escort to the Governor and acting as a committee appointed by your chairman in connection with Brother Jones, and I shall not intrude upon your time more than a moment or two.

The Governor in his maiden modesty has shown a disinclination to move from Ohio to Washington. Possibly he won't have to move there. (Laughter.) However, as a good Republican and an Ohioan, I assure you that it will afford me the greatest of pleasure to see a good Ohio citizen receive the nomination for President on the Democratic ticket. The nomination I said. (Laughter.) And I shall not lay a stone in the way of the Governor so far as his aspirations are concerned if he has any along that line.

I was very much impressed by the remarks made by your national chairman, and it brings a lesson which I am sure most of you men have learned, and are profiting by in the conduct of your business here in Ohio, which is now not looked upon as it was in former days. I do not know that I have heard the term "loan shark" for several years until to-day when I heard it mentioned here in the address of your national chairman. But most of you have heard it many, many times before. In fact it was drummed into your ears and it was the slogan that was used to defeat the efforts of those who desired to improve the situation. I want to say with considerable pleasure that while I have been in the office of Attorney General but one year, yet that is a long twelve months, and at no time during my service in that office have I had even the slightest intimation or complaint growing out of any maladministration of the law by any of the members of your Association. I do not believe that the Securities Department has had any difficulty along this line, and I do not expect them to. I believe the men at the head of your organization recognize the fact that the salvation of your business rests in its proper conduct. And the lesson can be drawn from the remarks of the Governor, and I hope it is drawn from those remarks, to the effect that if you will serve your full purpose, being regarded as you are here, the model organization of the country, you will do everything in your power to radiate those influences which make your business here satisfactory from all standpoints.

Your close coöperation with your organization will make this possible. It will enable your national officers to observe the things you have accomplished in Ohio here, it will mean the betterment of the organization throughout the country, naturally the betterment of the business as a whole, and from a selfish standpoint the safeguarding of your position here in Ohio.

I want to make just one observation aside from your particular business, and that is this: You are meeting here in convention. You come here, of course, for the purpose of discussing problems arising from the conduct of your business. But there is a great mission in which you can play a part at this time. I believe that every convention assembled in these troublesome times should devote at least a part of its time to a consideration of the problems which are confronting the country as a whole, and which has been so eloquently portrayed by the Governor. You come here from all parts of the state and elsewhere. You leave here. When you leave you will carry with you a message, which will have for its purpose the breaking down of some of the principles which are now destined by those in charge to eat at the very vitals of our government. Your convention collectively considering these problems can readily arrive at some thorough, genuine solution of the problem to save our institutions.

We do not stop to think as we should just how it happens that we in America have lived under such a splendid form of government. We do not stop to contrast our condition of to-day with the conditions overseas, and the conditions which obtained in this country when the struggles were being made by

our forefathers to establish the institutions under which we have thrived. No, we take that as a matter of course. We accept our pleasant conditions, never inquiring how they came or how they may be taken away. We received unusual privileges which had been cast upon us through the blood and the sufferings and the toils of our forefathers, and we had them placed in our care for a purpose, not only to enjoy them ourselves, not only that we might drink from that fountain of patriotic effort on the part of our forefathers, and satisfy our own appetites; no, we have a greater obligation on our shoulders. We assumed the responsibility at the time we received the privileges, and the responsibility is for us to care for, to cherish, to nourish and after all, to transmit all those blessings and those privileges which come from our institutions to our posterity. If we will do this, we will have to study the source of those privileges, be prepared to care for them, protect them and pass them along.

And that brings me to this particular point, that no greater purpose could be served than for every convention meeting in these days to set aside several hours, a session, a half day or day, for the purpose of considering the ills of the day and suggesting some of the means whereby those ills might be cured.

You men are in a position, just as the grocer is, who I think to-day occupies the uppermost position from the standpoint of being able to render a great service to those misguided among us who are preaching the wrong kind of doctrines. Every grocery store in Ohio and elsewhere throughout the country should be the headquarters for the dissemination of the right kind of American doctrine. And every loan office, meeting as you do in your various places a number of the poorer people, those who have not had the advantages perhaps that some of us have had, should be prepared to send them away from your place of busines thoroughly acquainted with the idea that their salvation rests after all in the protection of American institutions, and literature prepared for that purpose by you and passed along through those channels would accomplish much better results than the literature of a similar kind which might be left in the banks of the community, which banks would not be visited by those misguided people.

My friends, I wish you would consider this proposition, because we have a dreadful state of affairs confronting us. We have those among us who have not our interests at heart, not the interests of this government at heart, first because they are no American citizens, and, second because they have no desire to become American citizens, and, third, their purpose will only be gained when they have assisted in the overthrow of American institutions.

Therefore, it is up to every American citizen, individually and collectively, to do everything in his power to antagonize the situation which those who are not in sympathy with us are endeavoring to force upon us. We must begin to think about the affairs of our own government first and foremost. We must stop placing our worries about foreign governments ahead of our own. To accomplish this the first and foremost thing which must be done is to work, and to get everybody in our communities to work, to the end and that a satisfying condition of affairs may result and the poor man especially may not be embittered against our institutions by reason of his personal embarrassment through one or another cause growing out of the present state of affairs.

My friends, there is much to be done along this line. It may appear to be foreign to your business, but to my notion it is not. To my mind it is directly related to your business, because if you will prosper in your affairs, you must be in a prosperous community made up of prosperous individuals. That may not sound just right, but your business does not wholly grow out of sorrow. I know that your business comes to the aid of the distressed in many instances, but it is not altogether a business growing out of the misfortune of others.

I am more than pleased to be here to meet you, and I assure you that if any condition arises whereby questions relating to your affairs should find their way into the office which I am temporarily occupying, I will be more than pleased to give them my deepest consideration. I believe Judge Berry will assur you that we will coöperate to the fullest extent at all times to the end of seeing that the laws of the state are observed, that the benefits accruing to those who are entitled to them shall go to them, and that the restrictions are complied with regardless of those offenders. (Long continued applause.)

KENTUCKY.

The Uniform Small Loan Bill, prepared by the Division of Remedial Loans of the Russell Sage Foundation, New York, and now in force in a number of states, was introduced by Senator Simmons and Representative McLellan in both branches of the Kentucky legislature, January 13th. The measure is being supported by the Division of Remedial Loans of the Kentucky Conference of Social Workers, in connection with which a circular quoting Raymond D. Fosdick, one of the best known social workers in the United States, in the following words is published:

"Before any campaign to oust the loan shark can be effected there must be some agency equipped and prepared to take his place. Indeed, no campaign of extermination will ever succeed. No negative laws however drastic can permanently relieve the present abuses. As long as we have citizens who want to borow money, so long will loan agencies of some kind continue. * * *

"Constructive legislation is needed to encourage the entrance of private capital into the small loan business for the purpose of serving the man on a salary. * * *

"Our main obstacle is the ignorance of the virtuous. It is the belief that banking rates of interest can be imposed on a business which is conducted without security. It is the blind opinion that you can run a small loan business at six per cent. per annum and make it pay. It is the false hope that laws prohibiting an interest rate in excess of six per cent. can be imposed. Before adequate legislation can be had, these elusions must be destroyed, and the only way in which they can be destroyed is by a thorough knowledge of the facts brought about through an educational campaign."

Many local businessc men's organizations including the Louisville Board of Trade, the Coöperative Council, etc., are interested in the passage of the bill because they believe it will eliminate the "loan sharks" and put the small loan business on a respectable plane as has been done in some twenty-three other states If enacted, industrial loan conditions in Kentucky will experience a big improvement. Rates for small unsecured loans will be reduced about two-thirds the present cost

The provisions of the bill briefly stated are: loans limited to $300 or less, $100 license, $1,000 bond to the state, supervision by the State Banking Department, interest rate of 3½ per per cent. on unpaid monthly balances, no charges of any other kind being permitted. Severe penalties for any violation of the act are provided. Banks, trust companies, building and loan companies and pawnbrokers are exempt. A public hearing on the bill before a joint legislative committee was held February 3d. At the hearing Robert F. Vaugh represented the local committee advocating the passage of the bill. He introduced Walter S. Hilborn, acting director of the Division of Remedial Loans, Russell Sage Foundation, New York, who explained the origin of the bill and its purpose. Mr. Hilborn first dwelt on local conditions which were admitted by the opposition to be deplorable, inasmuch as necessitous persons without bankable security were being charged a rate on small unsecured loans equivalent to from ten to fifty per cent. per month. He said investigation and experience in other states where the uniform small loan law has been enacted had proved this bill would eliminate or reform the "loan sharks" and provide a service for Kentucky that is now enjoyed by some twenty other states. Mr. Hilborn's argument for the passage of the bill was forceful and convincing.

Following Mr. Hilborn, J. S. Baldwin, Deputy Director of the Department of Trade and Commerce, Illinois, who administers the small loan law in that state testified that the borrowers of small sums in that state had been saved millions of dollars by the enactment of a similar law in Illinois and that since its operation dating back to 1917 competition had forced the rate down to 3.1 per cent. per month.

Mr. Prass, formerly supervisor of the small loan law of Indiana, similar to one being advocated in Kentucky, testified that the Indiana law had benefited the poor people of that state and that supervision had disclosed no serious violations on the part of the lenders.

G. W. Kehr, representing the A. I. L. L. A., said the rate proposed by the bill was just and would only permit the lenders a fair return on their investment after operating expenses and losses were deducted.

At the time this is written much evidence has come in to indicate that an intensive educational campaign is on and that if the issue is decided on its merits, Kentucky's poor people will save approximately two million dollars by the enactment of the uniform small loan law.

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PENNSYLVANIA.

Our members, particularly those of Pennsylvania, will be interested in the opinion of the Court of Common Pleas in Lackawanna County, in the case of the Commonwealth of Pennsylvania vs. American Loan Company in the appeal by the defendant from assessment of mercantile license tax. Other members doing business in Scranton, including the Central Loan Co., Citizens Loan Co., Guarantee Loan Co., Sigmund R. Ornstine, participated in the defense. Judge Newcomb, in handing down his decision, December 8th, held:

"Appellant's business is that of money lending in sums not to exceed $300, as regulated by the "Small Loans Act" of 17th of June, 1915, P. L. 1012. From that time ever since the company has been licensed thereunder and has paid the license tax each year as thereby required. Hence, it has the right to make small loans on the terms and conditions so authorized either with or without security. In the conduct of its business it has in some instances taken, as collateral security, from the borrower, a bill of sale of his household furniture or other personal chattels, though without receiving the property and without any change of possession whatsoever.

"These transactions give rise to the single question in the case. Counsel representing the commonwealth contends that *pro tanto* the business is that of a pawnbroker, and the tax was assessed accordingly. If counsel is right, liability to the assessment would attach under the Revenue Act of 7th May, 1907, P. L. 175, as pawnbrokers are included among the occupation upon which it imposes that liability.

"On the fact of its affirmative provisions it would seem to be self-evident that the Act of 1915 was not intended to apply to pawnbrokers, even without express mention to that effect; but there is such mention in so many words: See Sec. 7. Hence if appellant could be properly characterized as a pawnbroker there is no apparent reason why its license as a small lender would give it immunity from this tax. But plaintiff must be deemed to have the affirmative of the legal proposition that it should be so classified. It is for the commonwealth's counsel, in other words, to show that the receipt of a bill of sale without delivery of the goods and chattels, either to the lender or to any other person by him designated, make the transaction one of pawnbrokers; and in that he fails.

"He finds himself driven to the expedience of relying upon a claim of 'constructive possession'; and this exposes the weak spot in his armor. It involves recognition of the indispensable necessity of change of possession in order to create an effective pledge of personalty; and thus casts upon him the burden of proving that delivery of physical possession of the goods therein mentioned, even though the writing is intended by the parties to operate only as a chattel mortgage.

"It is believed the reasoning hasn't even the merit of plausibility.

"One can think of nothing more familiar and elementary than the principle that a common law delivery of the property is of the very essence of that species of bailment known as pawn or pledges: 30 Cyc. 164 (note). Attention has been called to no authoritative expression either of the courts or of any textwriter, which would lend countenance to the theory that such bailment could otherwise exist in case of chattels capable of transfer from hand to hand. There is nothing in the Act of 1907, under which this tax is sought, to be laid that would in the least tend to support such theory. It is at pains to define a pawnbroker as one 'engaged in the business of receiving property in pledge as security,' etc. This is merely declaratory and its introduction is probably to be accounted for as an attempt to make clear the intention to limit its application to those who make a business of such transactions, and not to include every isolated instance of the kind. But whether so or not, in the absence of any context to otherwise restrict or enlarge its meaning, the language used must be given the *prima facie* legal import attaching to it by force and effect of long and familiar usage. As such it would hardly be debatable that it was intended to apply only to such species of 'property' as is capable of being 'received' into actual possession by delivery of the thing itself whereby the security of a lien may be created; and not a mere writing unaccompanied by change of possession.

"On the facts stated the case is believed to be free from difficulty. The issue is with appellant and, in accordance with the stipulation of parties, judgment is entered for defendant with costs.

"Exception is noted for the plaintiff."

We congratulate Captain Alfred I. Souder, who celebrated his twentieth anniversary on the police force in Philadelphia, January 15th. Captain Souder gained much fame a few years ago by the raids he made on unscrupulous high-rate money lenders. One of his most noted feats was his capture of the late Daniel H. Tolman, "king of money lenders," in the Blankenburg adminstration. Much of the progress made in legislation in Pennsylvania, regulating the small loan business is due in no small degree to Captain Souder's efforts.

A meeting of the Pennsylvania Association was held in Philadelphia, February 17th, at which only routine business was transacted. The chairman announced the appointment of the following committee chairmen for the year: Entertainment, A. V. Hart; Publicity, Mr. Herron; Legislation, G. W. Kehr. The secretary's report disclosed that most of the members are supporting the A. I. L. L. A.

MASSACHUSETTS.

A bill has been introduced into the legislature which calls for an increase from three to three and one-half per cent. for licensed money lenders. It also asks for legislation which will place the expense of recording mortgages, etc., upon the borrower, thus relieving the lender of that liability. There is also a clause which asks for an amendment to the assignment law, removing the restriction that a person making an assignment must secure the consent of the employer.

A public hearing on the bill will be held in Boston, Monday, March 8th, at 11 o'clock.

MARYLAND.

Secretary Pentz reports the meeting of the Maryland Association in January in Baltimore in the language that follows:

"The regular monthly meeting of the Licensed Lenders Association of Maryland was held January 13, 1920, at the Emerson Hotel, with its chairman presiding.

"The minutes of December meeting were read and approved.

"Several communications were read among which were opinions as to arrangment of dues.

"Among those present were Mr. Watts, of Philadelphia; Mr. Webster, of Philadelphia; Mr. H. Bryant, of Baltimore. The companies represented were: Central Loan Co., by Mr. Young; Coöperative Loan & Investment Co., by Mr. Hougham; Chesapeake Loan Co., by Mr. Cronk; Lend U Money Bankers, by Mr. Ryan; People's Loan Society, by Mr. Larson; Relance Guarantee Co., by Mr. Smith; Globe Loan Co., by Mr. Tyler; Surety & Commercial Guarantee Co., by Mr. Mattingly; Equitable Investment Company of Baltimore, by Mr. Armstrong, also Mr. Webster, Rep. Equitable Investment Co., of Cumberland.

"There was quite a discussion as to the Ensor Loan Co. making loans and abusing the notary charges. After several reports were made regarding this abuse of these fees by The Ensor Loan Co., it was decided to take such steps

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Communications cordially invited.

AMERICAN INDUSTRIAL LICENSED LENDERS' ASSOCIATION.

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Treasurer, J. H. Aufderheide, 860 Lemcke Annex, Indianapolis.
Secretary, G. W. Kehr, 204 Chestnut St., Harrisburg.

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Ill.—L. C. Harbison, 81 E. Madison St., Chicago.
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Iowa.—T. J. Harrison, 115½ E. 4th St., Waterloo.
Md.—William Young, 419 Munsey Bldg., Baltimore.
Mich.—F. E. Stroup, 507 Commercial Bank Bldg., Grand Rapids.
N. J.—J. W. Whitstone, Frost Bldg., Plainfield.
Ohio.—F. J. Schneider, 2063 E. 4th St., Cleveland.
Pa.—E. P. East, 175 Fifth Ave., New York.
R. I.—W. G. Wood, 268 Westminster St., Providence.
Va.—J. E. Edge, 202 N. 1st St., Richmond.
Unorganized States.—R. M. Rutherford, 203 Coleman Bldg., Louisville, Ky.

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Chairman, Finance, W. G. Wood, 268 Westminster St., Providence.
Chairman, Law, F. R. Hubachek, Esq., 610 McKnight Bldg., Minneapolis.
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Chairman, Membership, W. A. Zumpfe, 701 Odd Fellows' Bldg., Indianapolis.
Chairman, Publicity, A. V. Hart, 1020 Chestnut St., Philadelphia.

The National Council is composed of the National Officers, Vice-Chairmen, and Committee Chairmen.

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Conn.—H. G. McMullin, 757 Main St., Hartford.
Ill.—L. T. Baker, 109 N. Dearborn St., Chicago.
Ind.—R. C. Aufderheide, 860 Lemcke Annex, Indianapolis.
Iowa.—D. Esmond, 312 Century Bldg., Des Moines.
Md.—W. P. Pentz, 111 N. Charles St., Baltimore.
Mich.—H. D. Firth, 407 4th Natl. Bk. Bldg., Grand Rapids.
N. J.—P. L. Alberse, 411 Romaine Bldg., Paterson.
Ohio.—J. Fred Anderson, 401 Bushnell Bldg., Springfield.
Pa.—C. H. Watts, 1011 Chestnut St., Philadelphia.
R. I.—J. H. Wickstrom, 87 Weybosset St., Providence.
Va.—A. B. McMurtrie, 417 E. Broad St., Richmond.

OBJECTS.

The objects of this Association shall be to improve the small loan business; to advocate legislation, having the approval of this Association, uniform in character and providing for State License and Bond, and supervision and examination by state officials; to assist in education of the public to the service rendered by our members; to obey the uniform loan laws ourselves and police the business; to regulate public advertisements and circulars, so that they shall be truthful and straightforward; to establish uniformity in forms, books, and accounts, satisfactory to the licensing officials; to maintain good relations with all state officials and their examiners, and deal with them frankly in a spirit of coöperation; to assist and coöperate with all members of this Association and affiliated state associations in respect to accurate credit information, and assist in the collection of accounts, dealing with them always in a spirit of fraternity and helpfulness; to provide occasions for pleasant social intercourse between members.

to prevent it acting as a detriment to the present law.

"Therefore, Mr. Bryant upon request will see Mr. Page, of the Banking Department, Thursday, January 15, 1920, and then advise Mr. Hougham, and if necessary, Mr. Watts and Mr. Hougham will assist Mr. Bryant in further efforts along these lines.

"The adjustment of dues was then discussed and acted upon. Mr. Hougham made a motion to arrange dues on a basis of 50 cents per $1,000 invested, maximum $50 and minimum $20 on investment of $40,000. Under new plans each member of State Association is required to pay at least 50 cents per thousand per year on their average loan balance for the previous calendar year. By average balance is meant what your average outstanding investment in loans was for the year of 1919. The way to figure this is to take what your balance of investment was at the end of each month during 1919, total them and divide by twelve. This will give you the average investment on which you are requested to pay 50 cents per $1,000 per year. Any one not declaring their balance may pay maximum. Dues to begin February 1, 1920, payable every six months in advance.

"Mr. Watts then explained the necessity of supporting the A. I. L. L. Association, no compulsion to join the national body, but in order to join you must be a member of the local association if one is established in that state. The state has no representation at the national, each member appearing individually, or unless by proxy.

"Regularly moved and seconded, that the meetings be changed to every two months instead of monthly. Carried. Next meeting to be March 9, 1920.

"Secretary turned over the Association 'ad.' of Community Mortgage Co. Mr. Hougham to see Mr. Page and explain 'ad.'

"Mr. Larson, of People's Loan Society, spoke of his efforts to arrange exchange with Union Credit Co. It was the opinion of majority their rates were high—35 cents every name up to one hundred, and 30 cents every name over one hundred. The matter was dropped."

HONESTY.

No amount of ability, energy, strength, or initiative can offset the absence of honesty.

This is a fundamental—no employer wants a man whom he cannot fully trust.

The question of honesty goes deeper than a mere question of money. That is, of course, essential, but I refer to loyalty and devotion to duty, fair dealing, truthfulness, willingness to acknowledge error, etc.

The boss wants the man he can rely on; the man who will carry out his orders as given; the man who will stick until the job is finished; the man who, when asked for important details, is certain to give the absolute facts.

The man who is honest with the boss is honest with himself. He who cheats his boss, either of time or money, is himself the greater loser.

Character is a matter of growth. What you do and say to-day determines what you will be to-morrow. The shifty, unreliable man of to-day is preparing under his feet a quicksand which will in time engulf him.—*N. C. R. News.*

ILLINOIS.

Secretary Baker sends this interesting report of the meeting of the Illinois Association held in the Hotel Morrison, Chicago, January 30th:

"In the absence of Chairman Harbison, and first Vice-Chairman T. B. Ward, the meeting was called to order at 6:30 by second Vice-Chairman M. Fred Snite.

"There were forty-nine persons present, including the following visitors: Mr. Aufderheide, National Treasurer; Atty. Napier, counsel for the Illinois Association; Miss Cartmill, of the State Department; Mr. Charles E. Davis, of Chicago, and Mr. A. E. Perish, of Peoria.

"The last two guests being strangers in our midst, arose and were introduced to the entire body, after which dinner was served, and we were entertained with music, songs, comic memories, and recitations.

"Roll call was dispensed with as established by precedent, and the minutes of our previous meeting was approved as published in the LENDERS NEWS.

"Under call for report of committees, our treasurer reported a balance of $291.68, with all bills paid.

"For the down-state campaign of the Membership Committee, Mr. Weinschenk reported the following five new members: William A. Victor, Grand Chain, Ill.; George A. Sturdyvin, Champaign, Ill.; Chas. A. Leonard, Pittsfield, Ill.; Dr. Wm. A. Waggoner, Carrollton, Ill.; and John Siegle, Pittsfield, Ill.

"Mr. Skinner then reported for the Chicago campaign, announcing as new members secured by him, Miss Anna L. Pagett, and Harry Palmer, and also advised that Mr. Charles E. Davis and one or two other Chicago nonmember licensees would undoubtedly join in a few days.

"The securing of seven new members in one-month campaign is what we believe, a record nowhere duplicated, after an Association has been conducted for more than two years, and realizing that fact we gave the Membership Committee a standing vote of appreciation and gratitude.

"It has been pointed out that the Illinois stands a tie in membership with Pennsylvania, Indiana leading by a majority of two, and the race for first place is now on.

"A paper written by Edward M. Steimle, of the American Loan Company, Chicago, was then read by Mr. Albrecht, of Peoria, a copy of which follows: Mr. Steimle nicely illustrated his point, and the paper was received with much applause.

"Mr. Henderson then made a prolific and eloquent report for the Committee on Publicity. He heartily recommends publicity of the personal contact variety, demonstrating his idea by a number of personal experiences which have resulted satisfactorily. He suggested that a good medium for publicity would probably be the *Chicago Commerce*, which is a weekly publication by the Chicago Association of Commerce.

"A motion that the Association authorize the Executive Committee to set aside a fund to be expended for this purpose by the Publicity Committee was voted down, and no arrangement was made for immediate definite action, but

much good will result if every member carries out to the fullest extent of his ability the recommendations made by Mr. Henderson.

"A report was then made on the Removal Ordinance, which is to be voted upon by the city council February 4th, and which, if passed, will undoubtedly be a benefit to the Chicago Loan men in way of assisting them in locating their skips.

"Under correspondence a letter from Mr. James S. Baldwin was read, in which he expressed his regret in being unable to attend the meeting, also a very good letter from the National Chairman Stratton, and among other miscellaneous correspondence, a letter from our former treasurer, Claude Davis, who is now a rancher in Montana.

"Under old business, Chairman Snite brought up the establishment rule of limitation placed on classified advertising by our Chicago members, and by a resolution the limitation remains unchanged, but there is no restriction on space used by any member in display advertisements.

"Chairman Snite then suggested that our Association go on record as favoring the daylight saving movement and that our members establish office hours in accordance with same this summer.

"Attorney Napier then reported upon our activities in the Association of Commerce, giving the names of the officers recently appointed to preside over our division, number 55, Licensed Lenders, and quoted several instances in which a licensee being a member of the Chicago Association of Commerce proved a value and prestige to him.

"A letter from National Secretary Kehr was then read, in which he sets out the progress being made by the National Association, and the hopes of the Executive Committee to carry out plans as laid out at the National Convention in Atlantic City, last September.

"Following this a report on the Illinois members who have joined the National Association showed the total dues paid as $997.50, with still a number of members who are sure to come in.

"We are all very much impressed by the remarks of Mr. Aufderheide, who pointed out the absolute necessity for a National Association, and the extreme reasonableness of the rate of dues. Which, if looked upon as insurance (and it is in a way insurance) is so low a rate that no licensee in any legalized state should hesitate for a minute to do his part in maintaining this wonderful organization, whose scope and influence and activity is so broad and effective. The Association feels very grateful to Mr. Aufderheide for his having attended our meeting, and he certainly by so doing demonstrated a splendid spirit in the fulfillment of his duties as a national officer.

"In the early part of the evening a question box was passed, and each member requested to write out a question on any point relevant to the business upon which he was not clear, or which he wished discussed. The questions as a whole were good, and on several of them rather a lively discussion took place, and for over an hour this part of the program proved very interesting and instructive.

"Among the questions taken from the box are the following:

"Why not stimulate down-state interest in the Association by holding the next meeting in some other city?

"Does it pay to go into J. P. Court to collect as the last resort?

"How much money can be safely out in one loan institution?

"Are salary loans regarded as more risky than chattel mortgage loans, and why?

A borrowed on January 28th, paid interest on February 28th, paid up loan March 1st. How much and how many days' interest was due?

"Does advertising pay in Chicago papers?

"Are we obliged to mail mortgage and note when customer does not enclose a return stamp?

"What do members of this Association think is lost, if anything, by observing short hours daily, and close at 1 p. m. Saturdays?

"Is it good business to advertise that you will take money to customer's residence in evening?

"What about closing Saturday afternoon?

"1. If mortgage is recorded, and due, if you cannot get party in to extend, what is the best thing to do? Can you protect yourself any other way than by foreclosing?

"2. If you make a $200.00 loan for six months, interest monthly, three months after loan is made some one else gets a judgment against him, your party skips and is not located until after mortgage is past due, and the party that holds judgment locates him first and begins to levy on his goods. Have you any protection?

"3. (a) What per cent. of loss would you figure good? (b) Do you figure loss on per cent. of the amount loaned out or per cent. of net profit?

"4. If party borrows $100.00, made out 10x10.00, and makes five payments of $10.00 and interest, then skips; one year later you put him in loss. Would you put the $50.00 balance on principal in loss? How would you charge him off?

"5. (a) If party is rooming owns piano and has receipts, is it necessary for landlady to sign papers or give a release? (b) If living with folks and has receipts for piano in his name, must folks sign?

"Has any licensee had assignment turned down by subsequent employer? Can we get any legal recourse on this?

"What are the best office hours?

"The meeting was adjourned at eleven o'clock, and it is reasonable to assume that everyone who attended had a pleasant and profitable time."

J. H. Aufderheide, the National Treasurer, delivered the following important address:

"You will not go very far wrong when you say that in business associations, as well as in social organizations, that the value to the individual in dollars and cents is hard to estimate. The American Industrial Licensed Lenders Association may be worth more or less to each individual member according to his viewpoint. That our National Association is worth while, is of benefit to his best business interests, I assume each of you will agree.

"However, there may be some among you who are lukewarm in your enthusiasm. The attitude which looks upon the American Association as a thing apart, and unrelated to the individual company, is what we are fighting. We cannot afford to have the "lukewarm" man in our ranks. Your business cannot be merely a local affair, and a limited and intensive outlook, by our members, would sooner or later result in the complete demoralization of the national organization.

"We need 'team work' in our National Association if we are to succeed. On the football field each plays his individual part, but it takes the combined efforts of all to win. For the American Association to win, it will take the same sort of team work.

"The man whose prospect of success is tied up with what he can do with his own hands, unassisted by our state and national organization, has set himself a tremendous handicap. Ignorance is always optimistic, and it is this combination that produces the man who believes he can get along without us. Little does he realize that the American Association offers the only permanent relief to the continual tendency to demoralize our business, which eventually would make a fair profit impossible.

"We need the American Association, and we are going to need it for many years to come, probably always. Although you may have no business interests in Kentucky or New York, or Georgia, do not forget that what happens in those states in the matter of legislation or by public opinion, will sooner or later affect Illinois and other states. This is only the old law of cause and effect. Because certain things in our business happen in, say, Kentucky, it will have a certain effect on our business in Illinois. It is the work of the American Association to make those causes affect in a beneficial way, and not in a detrimental way.

"Perhaps in no other pursuit have the standards of business changed so materially, during the past few years, as in the industrial lending business. We have made wonderful progress, to be sure. The modern loan man is unafraid, and not ashamed of his business standing in the community. He is becoming prominent in its affairs, identifying himself with the best clubs and civic organizations.

"This condition is the result of three things: fair laws, organization, and favorable publicity. Without fair laws we are nil, without favorable publicity we cannot progress, and without organization (both state and national) we can secure neither fair laws nor favorable publicity. The cumulative effect of organization has maintained, and will inspire further the confidence and good will, which are so vital to our permanent success.

"This paper is necessarily inconclusive. There are many vital questions confronting our business, and the answers are perhaps not yet clear. The American Association is endeavoring to solve these problems, to protect *your* interests. We realize that there are many things which, unless handled with consummate tact, and under a thoroughly and skillfully formulated policy, will result disastrously and tear down the good works which we have builded.

"To 'carry on' the work of the American Association, we first must have adequate membership. We want *your* influence, and we want *you* to contribute financially. You are asked to pay fifty

cents per thousand on your average loan balance. This money is needed badly if we are to serve *your* best interests.

"In Illinois you have a possible gross income of three and one-half per cent. per month. On one thousand dollars this is $35.00 per month, or $420.00 per year. We ask you to pay fifty cents of this $420.00 each year, into the National Association treasury. You could not insure your life for anything near fifty cents per thousand; then I trust you would not hesitate to insure your very business existence for that small amount. The American Association is nothing more than insurance, and will return money dividends just as surely as the most carefully selected securities.

"Whatever shall prove to be the ultimate status of our business, certain is it that on the American Association, either by its success or failure, will rest the responsibility of good laws, or bad laws, favorable publicity, or antagonized public opinion to our business. The American Association is the corner stone of our future prosperity. It is our most valuable resource, and if we do not support it, and are thoughtless of the morrow, we must ultimately pay the penalty.

"As national treasurer of the American Association, I most earnestly ask your financial support, as well as your moral influence. The few dollars a year each contributes, will enable the national organization to be infinitely more useful to our members, and in the last analysis, usefulness—not merely organization—is what each of you has a right to expect.

"In conclusion I should like it understood that you are privileged to pay more than the fifty cents per thousand on your average loan balance. There is a minimum of $10.00 and a maximum of $100.00. Quite a few have pledged themselves to pay the maximum $100.00. The Mackey system, the Williams system, my own offices, and others have pledged $100.00 for each of their officers, and have already paid $50.00 for each office in advance. We honestly feel that we shall get value received for every dollar expended, and I am sure you must realize that the American Association is worth as much to you as it is to these other gentlemen and myself."

Edward W. Steimle, of the American Loan Co., Chicago, made this strong appeal for more members:

"No doubt each member present tonight will state one reason 'why every loan company should be a member of the State Association.' With the exception of a joker or two, each reason will be a good reason.

"There is not a dissatisfied member in the Association, and this to my mind should be ironclad proof that all nonmembers should immediately join. The nonmembers surely must have some reason for not being members, possibly, personal prejudices. Foresighted business men, however, do not allow personal prejudices to stand in the way of their progress.

"The best reason in the world is, that nonmembers should immediately join the State Association for their own *protection, coöperation,* and *assistance* derived therefrom.

"The following will better illustrate:

"Some years ago in a certain Eastern state there were a number of loan companies doing business. Each loan company was in effect a little castle of itself, where the owner or manager was a feudal lord, ever on the lookout with a keen and suspicious eye for a possible enemy. His knights were his investigators, whom he instructed to take as much business from, or put something over on his arch enemies—his competitors. He counted it the best kind of business to ditch a few undesirable customers and to knock his competitors at every opportunity. His creed was the survival of the strongest, and made a veritable fetich of open cut-throat competition. He had perhaps never met any of his competitors; to him they were just unprincipled, scheming crooks, who he had no desire to meet or even recognize, except as a force opposing his own progress. His competitors thought the same of him and of each other. In such a situation each was content if he made a fair living and felt reasonably safe and independent. He congratulated himself secretly and sometimes openly upon being a keen business man, skilled in the little tricks of the business.

"But a day came when he got into trouble. Everything was gloom; he could see his ship of business drifting, drifting each hour nearer the shoals of disaster; he had no association anchor to hold the bow of his ship into the wind. Something must be done. It was a bitter pill, but he swallowed it and went to one of his competitors whom he had never met and had never cared to meet in the past. He told of his difficulties and was amazed to find him half civilized, indeed, almost human. Before he knew it, he was smoking of his cigars and was surprised to find that they had so many problems in common. They discussed them rather guardedly, but at least with enough frankness to be understood. They both then decided to call upon another competitor and again were agreeably surprised with the treatment accorded them and the numerous problems they *all* had in common. He was perplexed, either his competitors were very kind, or they were up to some trick.

"The ice had been broken, however, and he met his competitors more often. He felt there was hope in saving his ship, for he had discovered an anchor that at least might check its progress to destruction.

"Then the newspapers promulgated legislation, that if enacted into a law would surely wreck his ship, as well as those of his competitors. He reasoned that if so much hope and benefit had been gained by conferring with a few of his competitors, surely the financial strength and brains of the majority of them combined would greatly help, if not entirely save the situation. He must have had in mind the speech of one of our old statesmen who said, *'United we stand, divided we fall.'*

"It was arranged that the majority of competitors hold a meeting for conference; they met, yet there wasn't a man who would believe any other man present under oath, but they were each and all in trouble and hoped to find a way out; the foundation was laid.

"Through several meetings they worked together, with much suspicion and some friction, but in the end, legislation was introduced that later was enacted into a law, both fair to the lender and borrower.

"It occurred to a few of these loan men that since the *assistance through coöperation,* and the *protection through strength,* in time of trouble had been of so much benefit, that they may have other problems they might work out together. Another meeting was held, they chose a name, adopted by-laws, and an association was born.

"Since the birth of this association it has constantly grown stronger and bigger, but is still in its infancy. To reach its majority it needs a full membership of all licensees; the nonmembers need us, and we need them.

"To-day the nonmembers are sailing their ships under a clear sky and in a calm sea, to-morrow a storm may strike; they will then see the necessity of an experienced, seasoned pilot to navigate the treacherous waters and bring them safely into a sheltering harbor.

"The Association stands in its relations to its members as a navigator in his relations to a ship."

HE WANTED THE SYSTEM.

He was running a small provision store in a newly-developed district, and the big wholesale dealers found him very backward in payment of his accounts.

They sent him letter after letter, each more politely threatening than the last. Finally they sent their representative down to give him a sporting chance.

"Now," said the caller, "we must have a settlement. Why haven't you sent us anything? Are things going badly?"

"No. Everything's going splendidly. You needn't worry. My bankers will guarantee me all right."

"Then why haven't you paid up?"

"Well, you see, those threatening letters of yours were so well done that I've been copying them out and sending them around to a few customers of my own who won't pay up, and I've collected nearly all outstanding debts. I was only holding back because I felt sure there must be a final letter, and I wanted to get the series complete."—*From Harpers.*

A VALUABLE ASSET.

The most valuable asset in all life is to have—wants! To be perfectly satisfied, to have everything desired—such a human being never lived. But this is very important—the more you have, the less you desire to keep what you have.

The beggar has a greater world for imagination than has either Mr. Carnegie or Mr. Rockefeller. For he has nothing but wants.

Success is paved all the way with wants. But to find success it is necessary to climb each separate want—as we would mount a stairway.

There are wants for money, for fame, for knowledge, for food, for clothes, for pleasure, for happiness—but the greatest want of all is the want—to serve. So, in all your wanting—want to be somebody that the world will miss—after you have done with your job.—*Exchange.*

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INDUSTRIAL LENDERS NEWS

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RHODE ISLAND.

We congratulate the Rhode Island Association as being the first State Association to show a 100% mark in its support of the A. I. L. L. A. Although Rhode Island is the smallest state in the Union, and its membership in the A. A. limited to seven, it lacks nothing in loyalty, enthusiasm and energy when it comes to upholding all that is good in the industrial loan business. In connection with the remittance that sent the Rhode Island Association over the top, received from J. H. Wickstrom, its secretary, we are pleased to quote:

"This gives the members of the Rhode Island Association a 100% mark as far as doing its duty towards paying what is due the A. I. L. L. A. Although our organization is small, every member is so enthused and feels the necessity of supporting the American Association, that we do not think it will ever be necessary to write any member notifying them that their dues are so far in arrears that a reminder be sent them."

Which state will be the next to get its name on the honor roll in the A. I. L. L. A.?

KENTUCKY.

The House of Representatives of Kentucky, unlike the legislatures of Maine, New Hampshire, Massachusetts, Connecticut, Pennsylvania, Maryland, Virginia, Indiana, and Illinois, declined to approve the so-called Uniform Law which has been in successful operation in the above named states for some years. Its action in effect means that it refused to take cognizance of existing conditions in Kentucky, where it is known that people without security acceptable to banks are obliged to pay for small loans in times of stress, a rate averaging from ten to one hundred per cent. per month. This condition translated into money means that the house of representatives refused to save the industrial workers and salaried employees of Kentucky, who are obliged by necessity to patronize small loan institutions at times, an amount conservatively estimated at one million dollars per year.

The Uniform Law puts a necessary business under strict state regulation and supervision. It provides a rate that is fair to borrower and lender. It has practically solved the evils surrounding the small loan business in every state where it has been enacted. The house of representatives have denied its benefit to the people of Kentucky for two years more, but public sentiment is aroused and the educational campaign inaugurated by the supporters of the bill will have its effect.

On the day the bill was called as a special order in the house, opposition to the bill succeeded in putting through a resolution to investigate the workers for the bill and a majority report was brought in containing a number of sensational charges against those who supported the measure, which no impartial tribunal would ever sustain, but the effect accomplished the purpose of the opposition, and the house in its excitement forgot all about the merits of the bill, and its friends, after an attempt was made to amend it so that its value as a regulatory measure was lost, insisted on its being killed and so it was lost.

ELIMINATING THE LOAN SHARK.

Financial students for some time past have realized that the making of small loans, supplying a legitimate public need, is an essential and lawful business. Such business should be encouraged and restrictive legislation should be drawn up with care so that legitimate capital and lawful lenders will not be driven out of business. The Legal Reform Bureau to Eliminate the Loan Shark Evil (29 Cortland Street, New York) has recently published a valuable handbook by Clarence Hodson, entitled *Money Lenders, License Laws, and the Business of Making Small Loans*..which furnishes an interesting discussion of the small loan business in all its details; much attention is given to legislation aiming at the regulation of the business, including the uniform small loan law supported by the Sage Foundation's division of remedial loans, similar loan laws passed in other states, and court decisions on the constitutionality of such laws. Emphasis is put upon the essential character of the small loan business and upon the need "that legitimate capital and public spirited men...be attracted to money-lending." The Appendix contains valuable references, legal opinions, etc. In so far as known to the Library the book is the only publication supplying comparative details of legislation and explaining the underlying conditions of the small loan business, and as such it should prove of wide interest and value to civic workers and others.—*The New York Public Library.*

NATIONAL CONVENTION.

The Executive Committee has decided on Indianapolis as the place to hold its next annual convention. The dates will probably be September 20, 21 and 22. The Claypool Hotel will probably be selected as headquarters.

MASSACHUSETTS.

House Bill No. 796, purporting to increase the Massachusetts rate from three to three and one-half per cent. per month on unpaid balances, with no fees, was amended by House Bill No. 1449, which permits an additional one and one-half per cent. a month on loans of $50.00 or less, if unsecured. It also provides that in the event of a salary assignment being taken, to secure a loan, that at least $10.00 per week of the borrowers' wages shall be exempt from attachment.

Incidentally it is interesting to note that under the amendment to the state constitution calling for the merging of 109 Departments into 20, there was created the Department of Banking and Insurance, in which is located the Division of Banks and Loan Agencies, or what has been the Department of Loan Agencies, becomes the Bureau of Loan Agencies in the Division of Banks and Loan Agencies. Mr. Frank H. Pope was recently re-appointed Supervisor of Loan Agencies and the appointment was immediately confirmed by the Governor and Council. The re-arrangement makes very little if any difference in the conduct of loan agency supervision.

NEW YORK.

There has been introduced in the Senate, an introductory bill No. 1403, sponsored by the Superintendent of Banks, in which it is proposed to make the following changes in the New York Law:

1. Maximum loan increased from $200.00 to $300.00.

2. Fees which are now fixed at $1.00 on $50.00 and less, and $2.00 on loans exceeding $50.00, increased to $1.00 on $50.00 and less; $2.00 on $51.00 to $150.00; $3.00 on $151.00 to $300.00.

3. Limitation on dividends and profits increased from 12 per cent. per annum to 15 per cent. per annum.

4. Authority to accept Liberty Bonds as security at 6 per cent. per annum with fees, or at 1 per cent. per month without fees.

If these proposed amendments are enacted, the New York law will approach more nearly the provisions of the Uniform Law than has been the case heretofore. In some respects, the Uniform Law provides a lower rate on certain small, short time loans than is 2 per cent. per month and fees. In some cases the borrower will have to pay a rate equivalent to from four to six per cent. per month under the proposed amendments.

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Communications cordially invited.

INDIANA.

The following communication sent out under date of April 5 by R. C. Aufderheide to members of the Indiana Association shows the alertness of the officers to serve the members in an important matter:—

"We have made inquiries from our attorney as to whether you are by law required to file with the *Assessor,* Form No. 3a1920, entitled *Supplementary information of Individual, Firm, Partnership, Unincorporated Company, Foreign Corporation engaged in manufacturing, merchandise or brokerage business.* After a thorough investigation, we are informed as follows:

1. You are not in any wise engaged in the brokerage business. A broker is one who is engaged in making transactions for others, a middle man, who charges a brokerage for investments which he makes for other people or for transactions between other persons which come through his hands. The small loan business in which you are engaged is done upon your capital, and cannot in any sense be said to be a brokerage business. In the act providing for the licensing of those engaged in making small loans there is no use of the term "broker" or "brokerage" which would characterize anyone as a broker who is engaged in business in the manner in which yours is conducted.

2. Even if you were engaged in the brokerage business, there is no authority in the Tax Laws of the State of Indiana for the requirement of such a report. The Assessor is entitled to all reasonabe information about your taxable property. He is not concerned with the value of your good will or your intangible property, but he has a right to know what your assets are and the value of them. These you can set out sufficiently in the ordinary individual return.

Further than that the tax officer is not concerned about your liabilities, excepting he has a right to know as to the correctness of your deductions made on the first page of your individual return, which consists of notes and accounts owing to you. Further than that he is not interested and can have no concern as to the amount or nature of your liabilities. Neither is he concerned in the actual costs of any of your properties, excepting as such information would throw light on the fair cash value on March 1, 1920.

In the case of a corporation which receives its charter from the State a different form is required and return to be made is somewhat different. The foregoing opinion applies only to the attempted requirement of *Supplementary Information* from companies owned by an individual.

Return "Form 3a1920, *Supplementary Information"* in blank to Assessor with separate typewritten notice attached, reading: "We are not engaged in the *Manufacturing, Merchandising or Brokerage Business* in the State of Indiana."

TO KILL AN ASSOCIATION.

(This has appeared in practically every commercial organ in the country—it must be good and we want to make its publication unanimous.)

Don't come to the meetings.

But if you do come, come late.

If the weather doesn't suit you, don't think of coming.

If you do attend a meeting, find fault with the work of the officers and the other members.

Never accept an office, as it is easier to criticise than to do things.

Nevertheless, get sore if you are not appointed on a committee, but if you are, do not attend committee meetings.

If asked by the chairman to give your opinion regarding some important matter, tell him you have nothing to say. After the meeting tell everyone how things ought to be done.

Do nothing more than is absolutely necessary, but when other members roll up their sleeves and willingly, unselfishly use their ability to help matters along, howl that the association is run by a clique.

Hold back you dues as long as possible or don't pay at all.

Don't bother about getting new members. Let the secretary do it.

When a banquet is given, tell everybody money is being wasted on blowouts which make a big noise and accomplish nothing.

When no banquets are given say the association is dead and needs a can tied to it.

Don't ask for a banquet ticket until all are sold.

Then swear you've been cheated out of yours.

If you do get a ticket, don't pay for it.

If asked to sit at the speaker's table, modestly refuse.

If you are not asked, resign from the association.

If you don't receive a bill for your dues, don't pay.

If you receive a bill after you've paid, resign from the association.

Don't tell the association how it can help you, but if it doesn't help you, resign.

If you receive service without joining, don't think of joining.

If the association doesn't correct abuses in your neighbor's business, howl that nothing is done.

If it calls attention to abuses in your own, resign from the association.

Keep your eyes open for something wrong and when you find it, resign.

At every opportunity threaten to resign and then get your friends to resign.

U. S. C. OF C. ANNUAL MEETING.

George W. Kehr has been appointed National Councillor to attend the eighth annual meeting of the U. S. Chamber of Commerce to be held at the Traymore, Atlantic City, April 27th to 29th, with Chas. H. Watts as substitute. J. W. Whitstone was appointed delegate, with P. L. Alberse as substitute. A preliminary outline of subjects to be considered include the following:

Government in Relation to Production—Anti-Trust Laws; Taxation.

Transportation in Relation to Production—Railroads; Merchant Marine.

International Finance in Relation to Production.

Agriculture in Relation to Production—The Government's Part; The Farmer's Part; The Business Man's Part.

Research and Efficiency in Relation to Production.

Labor in Relation to Production—Labor's Part; Employer's Part.

Immigration in Relation to Production.

Russia's Part in Relation to Production.

Group Meetings—Transportation and Communication; Foreign Commerce; Finance; Civic Development; Industrial Production; Domestic Distribution; Insurance; The Trade and Daily Press.

SALARY ASSIGNMENT RULING.

On January 12, 1920, the United States Commissioner of Internal Revenue released Regulations No. 9, construing Section 1001 of the present Revenue Act, and held that the tax on pawnbrokers, namely, $100.00 per annum, is also to be imposed on a person engaged in lending money on security of the assignment of wages or claims. The chairman of our Law Committee filed an exception with the Internal Revenue Department, Washington, on Feb. 18, 1920, with the result that the commissioner, without argument, takes the stand that his ruling is right, and that any who are engaged in the business of making salary loans will have to pay this special tax.

COMMUNICATIONS.

During the past month, the National Secretary received a letter from one of our prominent Eastern members, and as a result of his reading an account of the meeting of the Illinois Association in the March INDUSTRIAL LENDERS NEWS, he suggests that a Question Box and a Suggestion Corner be made features of the INDUSTRIAL LENDERS NEWS. Here is what he had to say:

"Having read in the March issue of the INDUSTRIAL LENDERS NEWS the introduction of a Question Box at the meeting of the Illinois Association, the idea came to me, would it not be a good plan to have a Question Box each month published in the LENDERS NEWS, also a Suggestion Corner. The names of the parties would be known by you only, and published under a number. Then answers received by you published the following month."

The National Secretary advised this member that he thought these features would improve the INDUSTRIAL LENDERS NEWS if the members manifested sufficient interest. To test the popularity of these features, the National Secretary will be glad to receive questions or suggestions from any of our members, touching on any phase of the work in which we are all mutually engaged. The names of the authors of the questions and suggestions will be published or not, as desired.

BACK NUMBERS.

Any members who desire to complete their *Loan Gazette* and *Industrial Lenders News* files and need any back numbers can have any old copies available by applying to the National Secretary's office.

NEW YORK.

The Twenty-fifth Annual Report of the Provident Loan Society of New York has just been issued. It contains much interesting data concerning this model institution. To give our readers who may not be fortunate enough to receive a copy of the report, an inkling of the magnitude of this institution, we quote the following report made by the President, Otto T. Bannard.

"The year 1919 was a notable one in the Society's history. It marked the twenty-fifth anniversary of its organization and its complete transition from a philanthropic experiment in making emergency loans to the poor to a great financially conducted, sound in character, and no less philanthropic, available to and utilized by people in all walks of life in time of emergency, embarrassment and opportunity. As the year just closed has witnessed momentous political, industrial and social changes throughout the world, so also has it witnessed striking changes in the Society's affairs — in fact, an analysis of the results of the year's work throws some light on the extent to which recent changes in our social life have gone.

"At the first glance the year seems to have been one of paradoxes. The demand for loans has been both less and more. The poor have required less assistance; the "new poor" have required more. Fewer loans were made than in any year since 1910, but the amount of loans made was nearly $8,000,000 in excess of any previous year. The number of loans made during the year was 403,-262, a decrease of 28,083 as compared with 1918. The amount loaned was $30,-706,589 against $22,869,118 in 1918, the largest amount loaned in any year up to that time. At the close of the year the number of loans outstanding was 174,-713 representing $12,216,163 — the lowest number since 1910, but a high record amount. The average loan made increased to $76 from $53 in 1918 and $16 in 1894. Nevertheless, it should be noted that 82 per cent. of loans were $100 and less and 52 per cent. were $25 and less.

"As the Society's loans are based upon the value of the collateral pledged and it does not extend credit, it is not possible to obtain full data on the character of borrowers and their reasons for borrowing, but there are many indications that the working man who pledges his watch to obtain funds needed by reason of sickness or similar emergency has been supplanted in the line of borrowers by the salaried and professional man who pledges the family jewelry to bridge the gap between income and cost of living necessitated by existing standards. This change reflects the changed status of classes in the community, but it also indicates that the Society has succeeded in large measure in disassociating in the public mind the matter of loans upon personal property from the personality and conduct of some of those engaged in the collateral loan business, in breaking down the reluctance of the so-called middle and upper classes to come to the Society in time of necessity and borrow on pledge of personal property.

"Many loans have been made to enable people to buy or build homes. The rapid rise in the price of commodities has not only forced the consumer to borrow, but has also led the retailer to borrow in order to stock up before prices go still higher. Many loans have been prompted by the desire to buy and retain Liberty Bonds. Many have been necessitated by income tax payments. The rapidly increasing value of precious stones and jewelry has permitted, without undue risk, a revision upward of the Society's loan schedule to meet the demand for larger individual loans made necessary by the shrinking purchasing power of the dollar.

"During the year unredeemed loans amounting to $102,944 were sold at public auction. The amount realized was $261,622, producing a surplus for borrowers of $124,492 and a loss for the Society of $708—the former a high record figure and the latter the lowest since 1895. Of the loans made during the period affected fourty-eight one hundredths of one per cent. were sold, the lowest proportion in the Society's history. The amount of surplus which we have succeeded in returning to borrowers was $87,104, making a grand total since organization of $545,783. Losses from claims and controversies for the year were $798.

"On September 2, a new loan office, the thirteenth, was opened in leased quarters in the Stewart Building at 55 Chambers Street and designated as the 'City Hall Office'. In the first four months it amply justified expectations by making 1,973 loans amounting to $272,019. On December 31 its outstanding balance stood at 1,070 loans representing $146,810. The average loan of $138 made in this office is by far the highest reached so far. This office will be self-supporting when its loan balance amounts to $250,000. This point should easily be reached before it has completed its first full year.

"During the year the Society redeemed $50,500 of its 4½ per cent. bonds, leaving $1,363,000 outstanding which will mature in September, 1921. At their November meeting the Trustees authorized an additional issue of $1,200,000 Certificates of Contribution. Up to date subscriptions amounting to $807,000 have been received, and by April 1st it is probable that all will be sold. Many new subscribers appear on the rolls. In the face of the present high yield on high grade investments, our ability to market our Certificates of Contribution at par is evidence of the general appreciation of their soundness and the high regard in which they have come to be held.

"The financial stress which marked the closing months of the year prompted the reduction of the maximum loan from $5,000 to $1,000 in order to lessen the drain on the Society's resources by reason of large individual loans. This reduced limit is still in effect.

"Of the thirty-two men who left the Society to enter the military or naval service, twenty-six returned to our employ.

"In June and December, payment was made of extra compensation to employees. The total amount was $24,886. At the December meeting of the Executive Committee, it was voted not to continue the extra compensation during 1920, but instead to increase salaries on January 1, 1920, in order that employees might know in advance and begin at once to receive their compensation at the annual rate.

"The year was saddened by the death on May 19th of Bishop David H. Greer, who had been a Trustee of the Society for twenty-five years. He was the ninth of the original Board of fifteen to die in office. Mr. Dwight W. Morrow has been elected to fill the vacancy.

"The resignation of Mr. James Speyer as Treasurer, submitted after twenty-five years service as an officer of the Society, was accepted with great regret. Fortunatey, Mr. Speyer was willing to continue as a member of the Board and of the Executive Committee. Mr. Mortimer L. Schiff was elected Treasurer to succeed Mr. Speyer, and Mr. George S. Brewster was elected Secretary in Mr. Schiff's place.

The service which the Society renders is one of the few services or commodities for which the public has not been required to pay an increased price. Our operating costs have greatly increased, as has been the case with other corporations. Increased salaries and extra compensation, the installation of new checks and safeguards necessitated by the increased value of collateral, the payment of heavy income taxes—these and other factors have contributed to a constantly mounting overhead expense with the result that operating costs in 1919 exceeded those of 1910 by 175 per cent., and the cost per loan amounted to $1.31 as compared with $1.12 in 1918 and $0.56 in 1910. This is exclusive of funds employed. Nevertheless, it has still been possible to maintain our charge upon loans at the rate of one per cent. per month or fraction thereof because of increased volume of business and the interest earned on accumulated surplus.

The year has brought many changes: a shrinking dollar and a greater need for loans; an increased value of collateral which has permitted us to meet the greater need; new borrowers and new reasons for borrowing; higher operating costs but no increase in cost of loans to borrowers; no less need for the service which the Society seeks to render — rather a wider field of usefulness and greater measure of service rendered. Commendation is due to the active officers and employees for their efficiency, fidelity and diligence in maintaining and extending an excellent organization."

ONE HUNDRER PER CENT. STATES.

As may be noted elsewhere in this issue, Rhode Island was the first state to secure a 100 per cent. enrollment of its members in the A. A. Since that occurred, Connecticut with four members, Georgia, with four members, Nebraska with two members, Minnesota with two members, Washington with one member, and West Virginia with eight members, have also gone over the top. We would like to see this number materially increased between now and the time of our May issue. It can be done.

MARYLAND.

The legislature adjourned April 6th without approving any legislation relative to the small loan business. The bill proposing to reduce the rate to two per cent. per month died in the committee to which it was referred.

OHIO.

All our our members will no doubt be interested in the following communication sent out by the Chairman and Secretary of the Ohio Association to its members, as the subjects referred to are of general interest:

"Our attention has been called to a recent ruling of the Federal Revenue Department defining pawnbrokers and specifying the class of business that comes within this definition. As this ruling is quite comprehensive and will effect the business of all of our members, we are herewith enclosing a copy for your information and files. The distinction made between pawnbrokers and bankers in Art. 12 is somewhat strained and indefinite, but it is sufficient to exempt banks from this special tax.

No doubt by this time you have received your "Book of Endorsements" prepared during the Kentucky contest. After reading it no doubt you will appreciate the amount and character of work done in Kentucky and how these recommendations can be used to advantage in any state. It is now proposed to utilize these endorsements and also the letters obtained in Connecticut, Michigan and Illinois and procure other letters from social service leaders in other states and prepare a new pamphlet for general use. This work of collecting and codifying these recommendations will be of great benefit wherever it may be helpful to use this kind of literature.

Your executive committee would be pleased to know the desire of the Ohio members with reference to the time and place of holding our 1920 annual convention. Let us hear from you, and oblige."

REGULATIONS 50.

relating to the
Special Taxes upon Business and Occupations.
and upon
The use of Boats.

Sections 1001 (subdivisions (1) to (11) incl.) and 1003 of *The Revenue Act of* 1919.

(*Sec.* 1001) (2) Pawnbrokers shall pay $100. Every person whose business or occupation is to receive, by way of pledge, pawn, or exchange, any goods, wares, or merchandise, or any kind of personal property whatever, as security for the repayment of money loaned thereon, shall be regarded as a "pawnbroker".

Art. 10. *Pawnbrokers; Delivery.*—Delivery of personal property as security for the repayment of money loaned thereon is necessary to incur the liability to special tax as a pawnbroker. By agreement of the parties the pledge may be deposited in the hands of a third person instead of being delivered to the pawnbroker.

Art. 11. *Persons liable;* The following persons are liable to a tax as pawnbrokers:

(a) A person using no tickets in his business but making a pretense of buying articles which are brought to him which he holds under a personal agreement that the articles can be bought back again by the person selling them upon the payment of a specified bonus:

(b) A person engaged in the loaning of money on security of the assignment of wages or of claims:

(c) A concern though called a bank which has practically no deposits and almost its entire business is the loaning of money on automobiles secured upon warehouse receipt.

Art. 12. *Persons not liable;* A person is not required to pay a special tax as a pawnbroker for occasional or incidental acts which cannot be regarded as constituting his business or occupation. Banks doing a bona fide business (banking) are not required to pay tax as pawnbrokers in cases where they accept diamonds or jewelry or other personal property as collateral security for the making or the extension of loans, providing such loans comprise the smaller portion of the loan business of the bank.

Bankers who are able to show that they did not invite or cater to persons desiring to borrow money on articles of personal property, but merely made such loans upon the request of and to oblige persons doing other business with them or who have taken such property as security only to save themselves from loss in connection with loans previously made are not liable to the special tax. The special tax on pawnbrokers is not required to be paid for making loans on chattel mortgages or in any case where chattels or personal property are not taken or received by way of pledge, pawn, or exchange.

CALIFORNIA.

We are pleased to announce that a connection has been established with Mr. M. H. Peterson, 309 Hobart Building, San Francisco, to handle any collection our members have in that vicinity. Mr. Peterson was formerly employed as a manager of one of the industrial loan offices on the Pacific Coast, prior to the enactment of the law which took away from the people this much needed service. Mr. Peterson is now practising law at the above address. On account of his practical loan experience, he can doubtless render better service than an ordinary lawyer. His reply to the query of one of our prominent members, who sent an account to him for collection, was as follows:

"I will gladly look after any collections that members of the A. I. L. L. A. may have here, and I will consider it a favor if you will place my name with the Secretary. Am prepared to handle anything in the Bay Region. This includes a population of more than one million."

VIRGINIA.

The legislature did not seriously consider the one per cent. bill introduced early in the session, but adjourned leaving the rate for small loans the same as provided in the law of 1918 viz. 5 per cent per month on loans up to $50, 3½ per cent. per month on loans from $51 to $300.

DISTRICT OF COLUMBIA.

A public hearing was held before the House Congressional Committee considering small loan legislation for the District of Columbia on Wednesday, April 7th. The Dyer and Tinkham bills were under consideration. Neither of them is likely to satisfy the local advocates of small loan legislation, yet the outcome is not known at this writing.

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APR 8 1922

INDUSTRIAL LENDERS NEWS

Official Organ American Industrial Licensed Lenders Association Which Is a Member of the Chamber of Commerce of the U. S. A.

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NATIONAL CONVENTION.

Now that the time and place of the National Convention is fixed, all members should be turning their attention to the consideration of this matter. As the convention will be held September 20, 21 and 22, in Indianapolis, at the Claypool Hotel, in a city that is centrally located, our members from all directions should try to be present. Suggestions for the program will be gratefully received if sent to the National Secretary. Speak up! What timely subjects do you think should be discussed at the convention? What suggestions have you to offer that will produce a one hundred per cent. attendance?

EXECUTIVE CHANGES OFFICE.

Dr. Charles G. Mueller, formerly Vice-President and General Superintendent of the Beneficial Loan Society System of Industrial Loan Offices, resigned recently and is now turning his constructive ability to creating a new chain system along similar lines, known as Community Finance Service. Inc. Dr. Mueller heads the new organization as President and General Manager with executive offices in rooms 700-701-702-703 Penn Square Building, Philadelphia, and has associated with him a number of the leading prominent business and professional men who are enthusiastic in their support of the new concern, which has already absorbed the three long-established and profitable offices of the Central Loan Company, located in Baltimore, Philadelphia and Scranton. Other established offices are under consideration and it is expected they will be added at an early date.

Dr. Mueller, it will be recalled was the first secretary of the Pennsylvania Association of Small Loan Brokers and the first National Secretary and later National Chairman of the national body of the American Industrial Licensed Lenders Association. While serving in the various capacities he made for himself an enviable reputation as a constructionalist of unusual perspective and displayed a dynamic force and character everywhere admired and appreciated.

With more than twenty years of uninterupted experience, study and research specializing in the business of rendering financial service to the industrial classes upon self-respecting terms; and a thorough knowledge of the finer economics of scientific business efficiency management of individual and group units (as evidenced by the very commendable results he obtained in past performances) it is generally conceded the new enterprise is coming into the field under the most favorable auspices and its permanency and growth are accepted. Community Finance Service, Inc., is to be congratulated for its good fortune in having so able a pilot. Dr. Mueller also is to be congratulated on his latest venture in a business that represents his life's work. The American Industrial Licensed Lenders Association invites a return to activity of your geniality and industry. We wish for you the success that will be yours deservedly.

STATE LINE UP.

Since our last issue, we are pleased to note more states have gone over the top with respect to the payment of their dues to the national body. The number of 100 per cent. states and their names will be found in the statistics following. Before another month transpires we hope to see a number of more states added to the Honor Roll Class.

In respect to the amount contributed, Illinois has a good lead but with the balance of the members of the three states following, contributing, any one of the states of Pennsylvania, Indiana and Ohio may pass Illinois.

State.	Number of Members.	Number of Contributors.	Percentage Contributing
Arkansas,	1	1	100
Colorado,	1	1	100
Connecticut,	4	4	100
Georgia,	4	4	100
Minnesota,	2	2	100
Nebraska,	2	2	100
New Hampshire,	1	1	100
Rhode Island,	7	7	100
Washington,	1	1	100
West Virginia,	8	8	100
New Jersey,	11	9	81.8
Indiana,	63	50	79.3
Illinois,	53	42	79.2
Massachusetts,	4	3	75
Kentucky,	7	5	71.4
Pennsylvania,	61	43	70.4
Maryland,	14	9	64.2
Michigan,	10	6	60
Virginia,	5	3	60
Ohio,	51	27	52.9
Missouri,	2	1	50
Iowa,	11	3	27.2
Utah,	1	0	00

	Amount Contributed.
Illinois,	$1,714 00
Pennsylvania,	1,352 80
Indiana,	1,007 75
Ohio,	738 53
Maryland,	287 50
New Jersey,	213 33
Michigan,	209 25
Kentucky,	206 65
Rhode Island,	165 00
Georgia,	160 00
West Virginia,	122 50
Iowa,	112 50
Virginia ,	110 00
Connecticut,	100 00
Minnesota,	100 00
Nebraska,	75 00
Massachusetts ,	56 25
Washington,	10 00
Arkansas,	5 00
Colorado,	5 00
Missouri,	5 00
New Hampshire,	5 00

UNIFORM LAW REPORT.

In a letter to the chairman of our Law Committee from Hon. W. N. Crook, of Beaumont, Texas, chairman of the Special Committee to which the Anti-Loan Shark Law was referred, at the Boston meeting, the conference of commissioners on uniform state laws, to Hon. E. A. Gilmore, of Madison, Wis., secretary of the conference, stated that there will be no report by the committee as the subject is one in which there is no occasion for uniformity of legislation; he quotes from several members of the committee with whom he has been corresponding and who all in substance say that if they go into that field there is no limit to their activities.

EXECUTIVE COMMITTEE DOINGS.

During the past month the Executive Committee has approved the formal application of the West Virginia Industrial Lenders Association as an affiliated state organization member. The officers of the newest state organization to be admitted to the A. I. L. L. A. are Wirt V. Hawkins, chairman, and Robert McKiernan, secretary-treasurer. We congratulate this new state organization and hope that it will live up to the reputation of the other states which have formed state bodies, in upholding the principles and objects of the national body. It starts out with eight members in good standing.

The Executive Committee has given consideration to the ruling of the United States Internal Revenue Commissioner, in which he has classed as pawnbrokers, those who take salary assignments as security. The committee has decided that it will not be practicable to employ counsel for the Association, and recommends that each member to which the rule applies, take the matter up with his own individual attorney, and if compelled to pay the tax do so under protest and await the outcome of a test case which is to be brought in the near future in one of the United States District Courts by one of our members.

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Correspondence and items intended for publication should be addressed to Geo. W. Kehr, 204 Chestnut St., Harrisburg, Pa.

Communications cordially invited.

AMERICAN INDUSTRIAL LICENSED LENDERS' ASS'N.

NATIONAL OFFICERS, 1919-1920.

Chairman, C. H. Stratton, Sullivan, Indiana.
Treasurer, J. H. Aufderheide, 860 Lemcke Annex, Indianapolis.
Secretary, G. W. Kehr, 204 Chestnut St., Harrisburg.

VICE-CHAIRMEN.

Conn.—A. S. Edwards, 42 Bank St., Waterbury.
Ill.—L. C. Harbison, 81 E. Madison St., Chicago.
Ind.—A. C. Broughman, 304 Marion Natl. Bk. Bldg., Marion.
Iowa.—T. J. Harrison, 115½ E. 4th St., Waterloo.
Md.—William Young, 419 Munsey Bldg., Baltimore.
Mich.—F. E. Stroup, 507 Commercial Bank Bldg., Grand Rapids.
N. J.—J. W. Whitstone, Frost Bldg., Plainfield.
Ohio.—F. J. Schneider, 2063 E. 4th St., Cleveland.
Pa.—E. P. East, 175 Fifth Ave., New York.
R. I.—W. G. Wood, 268 Westminster St., Providence.
Va.—J. E. Edge, 202 N. 1st St., Richmond.
W. Va.—Wirt V. Hawkins, 301 Wheeling Bank & Trust Bldg., Wheeling.
Unorganized States.—R. M. Rutherford, 203 Coleman Bldg., Louisville, Ky.

COMMITTEES.

Chairman, Auditing, E. P. East, 175 Fifth Ave., New York.
Chairman, Finance, W. G. Wood, 268 Westminster St., Providence.
Chairman, Law, F. R. Hubachek, Esq., 610 McKnight Bldg., Minneapolis.
Chairman, Legislation, R. M. Rutherford, 203 Coleman Bldg., Louisville.
Chairman, Membership, W. A. Zumpfe, 701 Odd Fellows' Bldg., Indianapolis.
Chairman, Publicity, A. V. Hart, 1020 Chestnut St., Philadelphia.

The National Council is composed of the National Officers, Vice-Chairmen, and Committee Chairmen.

STATE SECRETARIES.

Conn.—H. G. McMullin, 757 Main St., Hartford.
Ill.—L. T. Baker, 109 N. Dearborn St., Chicago.
Ind.—R. C. Aufderheide, 860 Lemcke Annex, Indianapolis.
Iowa.—O. T. Clark, 315 Flynn Bldg., Des Moines.
Md.—W. P. Pentz, 111 N. Charles St., Baltimore.
Mich.—H. D. Firth, 407 4th Natl. Bk. Bldg., Grand Rapids.
N. J.—P. L. Alberse, 411 Romaine Bldg., Paterson.
Ohio.—J. Fred Anderson, 401 Bushnell Bldg., Springfield.
Pa.—C. H. Watts, 1011 Chestnut St., Philadelphia.
R. I.—J. H. Wickstrom, 87 Weybosset St., Providence.
Va.—A. B. McMurtrie, 417 E. Broad St., Richmond.
W. Va.—Robt. McKiernan, 304 Kanawha Nat'l Bank Bldg., Charleston.

OBJECTS.

The objects of this Association shall be to improve the small loan business; to advocate legislation, having the approval of this Association, uniform in character and providing for State License and Bond, and supervision and examination by state officials; to assist in education of the public to the service rendered by our members; to obey the uniform loan laws ourselves and police the business; to regulate public advertisements and circulars, so that they shall be truthful and straightforward; to establish uniformity in forms, books, and accounts, satisfactory to the licensing officials; to maintain good relations with all state officials and their examiners, and deal with them frankly in a spirit of coöperation; to assist and coöperate with all members of this Association and affiliated state associations in respect to accurate credit information, and assist in the collection of accounts, dealing with them always in a spirit of fraternity and helpfulness; to provide occasions for pleasant social intercourse between members.

DISTRICT OF COLUMBIA.

The public hearings on the Dyer and Tinkham bills, one of which the writer attended, were brought to a close by the House Committee in charge of the district affairs last month. Much testimony was taken in support of both bills. The Dyer bill seems to be an honest attempt to regulate the pawnbroking business in Washington. It provides for a license, bond and supervision, and permits a rate of three per cent. per month on loans of $50 or less and two per cent. per month on loans above $50. It appears to be pretty well drawn, and modeled after the Michigan pawnbroking law. Aside from a couple weaknesses which the committee has discovered and will doubtless correct before reporting it out, if enacted, it is likely to prove a workable law.

The Tinkham bill is an attempt to amend the 1913 one per cent. law, under which no institution could be found to lend money except one, which discontinued business with a substantial loss at the close of the first year. The main feature of the bill is to increase the rate to two per cent. per month. Each of these bills have a host of supporters in Washington, few of whom have evidenced any practical knowledge to substantiate many of their statements. From a legal and practical standpoint it is our opinion that both bills can be improved. It is possible that a pawnbroker could work under the Dyer bill if it became a law at a small profit if there was no limit on the amount of his loans, and he was fortunate enough not to gather in too many stolen pledges.

It would pay anyone contemplating engaging in busines under the Tinkham bill, should it become a law in its present form, to become a licensed banker under the supervision of the treasury, and engage in the business of lending money by discounting interest a year in advance, plus a fee, and require the borrower to pay two per cent of the loan weekly, for that would be more profitable. One member of the committee believed it possible to organize and operate an institution like the First State Pawners' Society of Chicago, or the Provident Loan Society of New York, in Washington. He apparently did not figure first, that it would be some job to get the capital for such an enterprise, when there are numerous gilt-edge investments that yield five to seven per cent. to-day; and next, to put it out, if it could be obtained, in sufficient volume to pay expenses, to say nothing about a return on the investment. With an institution of this kind many people with urgent needs would be denied small loan service. Should the Dyer bill become a law, people without something of value to pledge as security would continue to be without small loan service. The man with only furniture and a job and not a particularly good risk, would find no relief under the Tinkham bill, should it become a law, because any institution to operate under it as it is written, would of necessity be compelled to lend money in small sums to only such people as might be termed preferred risks.

Neither bill seems to contemplate, nor indeed was it brought out at the hearing which the writer attended, that the present cost of conducting a small loan business is approximately one hundred per cent. more than it was in 1913, and that a business conducted to-day under the Dyer or Tinkham bills, with the rates provided would probably not be a business success. The Uniform Small Loan Law, drafted by the Division of Remedial Loans of the Russell Sage Foundation, New York, and now in successful operation in a number of states in the last analysis would fit in better in the District of Columbia than the Tinkham bill and would not prevent any lender from making loans at a lower rate than it provides if he could consistently do so. This law has proved to be the best for the greatest number.

MARYLAND.

The meeting, instead of the regular meeting of March 9, was called by the chairman for April 13, 1920, at the Emerson Hotel, 7:30 p. m.

The minutes of January's meeting were read and approved. Some communications of minor importance were not read by agreement of chair and members.

The companies represented were: Central Loan Co., Union Loan Co., Co-Operative Loan and Investment Co., Chesapeake Loan Co., Household Loan Co., National Equitable Investment Co. of Baltimore, Surety Guaranty Co., Commercial Guarantee Co. and the Reliance Guarantee Co.

Mr. Hougham reported that the Community Mortgage Co. makes small loans on real estate, taking a second mortgage at 3½ per cent., no fees, but above $300, 6 per cent. and fees.

The Legislative Committee reported that four bills were presented as follows: Burk bill, which strengthens, Frick bill, lost, two bills, 2 per cent., and Mills' Bill on Notaries did not harm apparently.

Membership Committee reported progress.

It was regularly moved and seconded that $6.45 car fare, to and from Annapolis, on Association business, be paid Mr. Hougham.

The Association is not interested in the exchange idea relative to the Manufacturer Association.

Mr. Kehr, the National Chairman, gave an interesting talk the Kentucky Legislature's failure to pass a 3½ per cent. bill. Also the discusion in Washington of a 1 per cent. bill, which shows our interests all over the country should be handled by a man well versed on the practical side of this business, as a novice only makes a bungle of it, and reflects discredit generally. "A good argument," he says against lower rates is "It costs 100 per cent. more to operate them now.") He also told of Judge Vosburg's, "of Scranton," ruling that petty loan brokers were not pawnbrokers, even if salary assignment are taken. (Secretary's note.—"It was a pleasure to have one so well versed among us, and the Association can always feel assured of learning something when this interesting talker is present.")

Plans for the annual meeting and banquet were discussed, the chair appointing a committee of three as follows:

Hougham, chairman; Pentz and Goldrick, they to arrange details and place of meeting. The Banking Department, national officers, and Howard Bryant to be invited.

The meeting adjourned at 9:50 p. m.

W. P. PENTZ, *Sec'y.*

MASSACHUSETTS.

The bill which was before the Legislature providing for an increase of rates from 3 per cent. to 3½ per cent. on secured loans, and 5 per cent. on unsecured up to and including $50 was killed on the enactment stage. An effort was made to amend the bill by striking out the 5 per cent. clause, but the legislators evidently were in no mood to consider even that phase of the bill. The bill had passed the House and Senate before decided opposition manifested itself. The bill was discussed by the newspapers and the 5 per cent. feature condemned, and seemed to have no friends excepting those immediately responsible for the 5 per cent. clause, which was an amendment put in at the hearing and did not appear in the original bill. It is a matter of regret that the 3½ per cent. rate could not have been secured, but the Fates decreed otherwise.

RHODE ISLAND.

The regular meeting, which was the fourth annual meeting of the Rhode Island Industrial Licensed Lenders Association, was held at 268 Westminster Street, Tuesday, April 27, at 7:30 p. m.

The meeting was called to order by the chairman, W. G. Wood.

The following were present: W. G. Wood, of Providence; J. H. Wickstrom, of Providence; H. T. Chase, of Providence; F. H. Lovegrove, of Pawtucket; F. N. Kennon, of Pawtucket; H. B. Bumsted, of Pawtucket.

Upon joint motion the reading of the minutes of previous meeting was approved as read.

Report of Officers.—The treasurer reported on hand the sum of $57.

Report of Committees.—Mr. Bumsted and Mr. Chase, of the Legislative Committee, reported that the assembly adjourned "Sine Die" and that during its session no bills were introduced or passed affecting our business.

New Business.—Mr. Chase moved that the present officers be reëlected for another year with the exception of Mr. Wood, who was elected permanent chairman of the organization. The motion was properly seconded by Mr. Lovegrove.

The question of closing at 1 p. m. on Saturday during July and August came up for discussion and the comments from the various members were very interesting. Mr. Chase, of the Peoples Loan Company of Providence, informed the members that he has always closed on Saturday afternoon during the summer, and five of the six members present agreed to do likewise and accept the half holiday on Saturday. It was further agreed that the members begin closing their offices at this hour on Saturday, July 3, and continue until Saturday, August 28.

On motion of Mr. Bumsted the meeting adjourned.

NEW JERSEY.

The Siegler bill, purporting to reduce the rate on loans of $300, or less, introduced in the New Jersey Legislature, from 3 per cent. to 2 per cent. a month, died in the committee to which it was referred. The sponsor of the bill declined to discuss the purpose of his bill and the wisdom of his suggestion with the Divisional of Remedial Loans of the Russell Sage Foundation, New York. The result of the disposition of this bill means that the people of New Jersey who are without bank credit and are frequently in need of financial assistance, will continue to enjoy the small loan service on reasonable terms as they have since the enactment of the present law.

Another bill which affects the small loan business in New Jersey, became a law and it has to do with increased charges for recording chattel mortgages. Under the new law this charge will now be about $1.88.

KENTUCKY.

The grand jury which investigated the charges of Representative Richardson, made in connection with the consideration of the uniform small loan bill at the last session of the Legislature, found after investigation that there was no ground for the prosecution of those who were engaged in the work of endeavoring to pass the bill. The grand jury said that they found nothing illegal about the work of those who supported the bill. Had this result been known at the time this legislation was pending, no doubt the people of Kentucky who are without security required by banks and other financial institutions would now be enjoying a service at a much lower rate than they are obliged to pay without the protection of a small loan law.

SALARY ASSIGNMENT RULING.

On May 6th, L. T. Baker, Secretary of the Illinois Association, addressed the members as follows, in regard to the salary assignment ruling of the United States Internal Revenue Commissioner. The manner of handling this subject by the Illinois Association should serve as an example for other State Associations and individual members, who may be interested in this ruling.

"Your executive committee met on the afternoon of May 3, 1920, to consider the Federal Special Tax matter, and desire that their conclusions be conveyed to you as follows:

"*Resolved*, That upon advice of the attorney for our Association, the executive committee recommend to the members of that body that they pay to the collector of Internal Revenue in their respective district, the 'Pawn-Broker Tax' and penalty attached thereto, totaling $187.50, but that such payment be made under written protest and with notice to the collector that suit will be brought to recover in due course.

"A further sum of $100.00 will be due and payable June 30th, and that amount should be paid in the same manner as set out above.

"Those members of our Association doing business in the Chicago district may send their check to Attorney Napier with the accompanying forms, which are partially filled out, properly indicating the business and the term for which tax is being paid, and he will turn same over to the collector with a carefully drawn protest form and get receipt upon which attempt to recover can be made.

"Those members living in other districts may write to attorney Charles R. Napier, Room 1407 Ashland Block, Chicago, Ill., for further information and the protest form.

"Signature must be acknowledged by notary."

OHIO.

We are indebted to John W. Keller, Zanesville, for a copy of Judge Houck's decision in the Court of Appeals, Muskingum County, Ohio, in which case Mr. Keller appealed from the decision of the court below. The decision will be of particular interest to members who make automobile loans. Judge Houck's decision follows:

"The proceeding in this court is one in error and comes here from the common pleas court of this county.

"The suit below was one in replevin. T. Oscar Evans, the defendant in error here (plaintiff below), brought his suit in replevin against John W. Keller, plaintiff in error here (defendant below), claiming the possession of one No. 37 touring car, serial No. 371,537, with extra tire, tools, and standard equipment.

"The following are the conceded facts:

"1. Plaintiff below, on April 24, 1917, sold the car with equipment to Lawrence Wilkinson and Jeanette Wilkinson, at Akron, Ohio.

"2. The Wilkinsons resided at Akron at that time.

"3. As part of the purchase price for the car, Wilkinson and his wife executed and delivered to plaintiff a promissory note in the sum of $350, payable in monthly installments of $30 each.

"4. At the same time they executed and delivered to plaintiff a chattel mortgage conveying to him the car.

"5. The chattel mortgage was duly filed with the recorder of Summit County, Ohio, on May 3, 1917, at eleven o'clock in the forenoon.

"6. The chattel mortgage contained a condition, in substance, that if Wilkinson and wife should pay the sum and interest at the time and manner mentioned, and shall keep and perform the covenants and agreements contained in the chattel mortgage, the same should be void, but otherwise to remain in full force; that in case of default in payment of said money at the time or times at which the same should be due and payable, or if the Wilkinsons should remove the goods and chattels, or any parts thereof, the plaintiff should have the right to take possession of the property and sell the same.

"7. Without the consent and without the knowledge of plaintiff, the Wilkinsons removed the car from the county of Summit and sold it to Keller.

"6. Keller put permanent repairs on said automobile in a sum amounting to $176.87.

"Question.—Will replevin lie in the instant case as against the permanent repairs placed on said automobile by Keller?

"This we answer in the affirmative. Under the conceded facts in this case, we are bound to answer the inquiry just as we have—in the affirmative. The

doctrine of caveat emptor certainly applies to Keller. He was bound to know that the seller of the automobile was the owner of it, and if he purchased it (although in good faith) when in fact the seller had no right to dispose of it, he cannot claim title by reason thereof. If, after getting possession of the automobile, in question, he placed repairs thereon and upon a car the ownership of which was in some person other than the one who claimed to be the owner at the time Keller purchased it and of whom Keller claimed to have purchased, he (Keller) placed such repairs thereon at his own peril and, as against the rightful owner of the car, cannot legally hold the permanent repairs placed thereon.

"It is, however, a settled rule of law (violated, however, by the statute relating to replevin), that no man can be deprived of his property by another without his consent; and if he elects to follow and reclaim it, whether owner or not, if entitled to the immediate possession, he may obtain possession by an action of replevin, into whose hands soever it may have come, whether the person from whom he reclaims it, or the person who enhanced its value, was a willful or involuntary trespasser. But, in such case, the property must be identified; for if its identity is lost by being converted into another species, or otherwise, an action of replevin cannot be maintained.

"In the case at bar, the property was not changed into another species, but simply enhanced in value by the accessions placed thereon by the trespasser, Keller. Hence, under such circumstances, Evans, the owner and the one entitled to the possession of said automobile, cannot be compelled to pay Keller, the trespasser, for the improvements on said automobile, as the law neither divests Evans of his property nor requires him to pay for such improvements made without his consent, approval or authority.

"It therefore follows that the judgment of the common pleas court is right and should be affirmed.

"Judgment affirmed.

"Shields, J., and Patterson, J., concur."

ILLINOIS.

Mr. Baker's account of the meeting of the Illinois Association held at Hotel Morrison, Chicago, April 30th, follows:

"Chairman Harbison scored a repeater by failing to be present at this as well as our January 30th meeting and the duties of the chair fell upon first vice-chairman, T. B. Ward.

"There were sixty-four dinners served at a number of small tables and for an hour, those present enjoyed a splendid meal and an opportunity of discussing with their contemporaries subjects which were of most interest to them.

"At the time of this meeting, our Association membership enrollment was 65, so that we showed 99 per cent. in attendance and 100 per cent. in interest and enthusiasm.

"Since the meeting we have secured two new members, giving us a total of 67, making us the biggest Association of its kind in the country and contributing not only in amount, but in percentage, more to the National Association than any other state. For these reasons we feel justified in boasting and if Pennsylvania and Indiana do not show some speed, they never in the world will catch up with us. Ohio is a worthy contestant, but according to their chairman's own statement 'what she lacks in number, is more than made up in quality.' We were not so willing to accept that quality excuse or explanation from Ohio, until after Judge Dyer, of Columbus, chairman of the Ohio Association, had concluded his remarks, he being our principal speaker of the evening. However, the judge as usual won his case and Illinois is ready to concede that Ohio has the real quality. A brief of Judge Dyer's talk is attached herewith.

"Besides Judge Dyer, we had the pleasure of having with us as visitors also, Miss Cartmill, of the State Department; attorney Charles R. Napier, two newspaper men and several ladies. Pictures of the meeting were taken and many were sold.

"Regular business of the evening was taken up at 7:30 and roll call was dispensed with as established by precedent, while the minutes of our previous meeting was approved as published in the *Lenders News*, and not, therefore, read.

"Under call for report of committee, Treasurer Alfred Snite read a statement showing $226.03, with all bills paid.

"For the down-state campaign of the membership committee, Mr. Weinschenk reported no new members (2 have been secured since), but explained that a number of 'Books of Endorsements,' issued in the recent Kentucky Legislature in behalf of the Uniform Small Loan Act, had been secured and one sent to each of our members with instructions to that member to forward the book with a letter to a non-member licensee, whose address accompanied the book. In that manner every licensee in Illinois had the opportunity of reading the book. Following that, Mr. Weinschenk addressed a letter to each non-member licensee and no doubt the majority who have not already joined, will do so in the near future.

"Mr. Skinner, for the Chicago Membership Campaign, reported as follows:

"It gives this committee much genuine pleasure to report the enrollment since our last meeting of the following licensees who are now full-fledged members of our Association:

"Keenan & Company, 35 N. Dearborn St.
"J. A. Dahlman, 35 S. Dearborn St.
"Greer & Company, 8 S. Dearborn St.
"Eli Feldman, 1549 S. Kedzic Ave.

"These enrollments were secured by personal solicitation from myself and Mr. Kilzer, who at a sacrifice of his own time assisted materially in this matter and to whom both myself and I am sure the entire Association are grateful.

"We feel very fortunate in having so efficient a membership committee, who seem determined to secure every licensee in the state as a member even if personal solicitation becomes necessary.

"Mr. Henderson then reported for the Publicity Committee, calling attention to the fact that our meeting had been announced in the Chicago papers and that no doubt, favorable mention of the meeting would also appear. As stated before, there were two newspaper men with us as guests.

"Mr. Henderson then, in his customary and eloquent manner, gave an interesting and unabridged report on the Kentucky Legislature in respect to the Small Loan Act, and was given very close attention, as everyone seemed at a loss to understand how the bill could have been defeated with such splendid forces working in its behalf. Mr. Henderson assured us that very good work had been done in Kentucky, and even though they did not win, a splendid foundation for victory in the next attempt has been laid.

"The Chair advised the members that the Removal Ordinance had been passed by the city council February 18th, which requires that all removals of household goods be reported to the city librarian and statistician. For a fee of 50 cents, both the former and present address of anyone may be secured.

"Under correspondence, letters were read wherein Mr. Boys, director of Trade & Commerce, had been requested to invite Governor Lowden to address us at this meeting, and also his reply stating with regret that the Governor could not accept because of being out of the state at the time.

"A letter from National Chairman Stratton lead us to believe that we might be surprised by his showing up at the last minute to attend the meeting. It was to our regret, however, that he failed to appear.

"Mr. Zumpfe wrote his regrets at not being able to attend the meeting, and Mr. Inman, of Peoria, requested in writing that our next meeting of the Association be held in Peoria.

"Under new business, Attorney Napier explained fully the Special Tax Law, which has been interpreted so as to bring under its provisions and classifying as a pawn-broker anyone who takes salary assignments.

"Mr. Napier had a number of consultations with the local collector of Internal Revenue, and stated that according to his best belief and judgment, the tax should be paid under protest by our members. He consented to handle the payment of and attempt to recover the tax as an Association matter for all members, who remit through him in accordance with the letter of instruction which has since been sent out under the direction of our executive committee.

"Mr. Napier then reported on the Kissell-Warehouse matter to the effect that sufficient evidence had not as yet been secured to take action.

"Mr. Albrecht, of Peoria, made a strong plea for the next regular meeting of our Association, which will be held the last Friday in July, to be called in Peoria. After other urgent solicitations being made by members of other down-state cities, the motion was carried and we will meet in Peoria in July.

"The success of this meeting will depend largely upon the efforts and attendance of down-state members and it should be born in mind by all Chicago members that election of officers for the ensuing year and delegates to the National Convention at Indianapolis in September, will be held at this meeting.

"Mr. Bodine, of Joliet, was asked how he would like to have the next meeting held in his town, and he replied that there were already too many Chicagoans detained there.

"Following this we engaged in a very brief discussion the closing of all offices at one o'clock on Saturday the year round, telephone book advertising and so forth.

"Because of the lateness of the hour, we adjourned, holding over the answering of question box problems until the next meeting."

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APR 8 1922

INDUSTRIAL LENDERS NEWS

Official Organ American Industrial Licensed Lenders Association Which Is a Member of the Chamber of Commerce of the U. S. A.

Vol. IV. No. 12. JUNE, 1920. Price, $1.00 a Year.

STATE STANDING.

State.	Number of Members.	Number of Contributors.	Percentage Contributing
Arkansas,	1	1	100
Colorado,	1	1	100
Connecticut,	4	4	100
Georgia,	4	4	100
Minnesota,	2	2	100
Nebraska,	2	2	100
New Hampshire,	1	1	100
Rhode Island,	7	7	100
Washington,	1	1	100
West Virginia,	8	8	100
Maryland,	14	13	92.8
New Jersey,	11	9	81.8
Indiana,	63	50	79.3
Illinois,	53	42	79.2
Massachusetts,	4	3	75
Pennsylvania,	61	45	73.7
Kentucky,	7	5	71.4
Iowa,	13	9	69.2
Ohio,	51	32	62.7
Michigan,	10	6	60
Virginia,	5	3	60
Ohio,	51	27	52.9
Missouri,	2	1	50
Utah,	1	0	00

	Amount Contributed.
Illinois,	$1,714 00
Pennsylvania,	1,376 80
Indiana,	1,007 75
Ohio,	895 53
Maryland,	287 50
New Jersey,	213 33
Michigan,	209 25
Kentucky,	206 65
Rhode Island,	165 00
Georgia,	160 00
Iowa,	158 50
West Virginia,	122 50
Virginia,	110 00
Connecticut,	100 00
Minnesota,	100 00
Nebraska,	75 00
Massachusetts,	56 25
Washington,	10 00
Arkansas,	5 00
Colorado,	5 00
Missouri,	5 00
New Hampshire,	5 00

MICHIGAN.

The Michigan Industrial Licensed Lenders' Association held a meeting in the offices of the Provident Loan Society, Detroit, May 7th, for the purpose of election of officers.

The following members were in attendance: Mr. Adelbert Moser of Lansing, Mr. Irving H. Stroup of Grand Rapids, Mr. W. E. Stevens, Mr. J. E. Ryan and Mr. J. A. Macbeth of Detroit, and officers as follows were elected for the ensuing years:

F. E. Stroup, Grand Rapids, Chairman; J. E. Ryan, Detroit, Vice Chairman; J. A. Macbeth, Detroit, Secretary and Treasurer.

The Michigan Association is small and no special program was outlined for the meeting. However, a general discussion of the business was found to be both instructive and interesting to those in attendance.

J. A. MACBETH, *Secretary.*

NEW YORK.

The approval of the Legislature of New York, as well as the Governor, has been given to the bill introduced by the Superintendent of Banks, in which he proposed amendments to the Personal Loan Law of New York, as published in the April "Industrial Lenders News." The new law will be known as Chapter 703 of the Laws of 1920.

PENNSYLVANIA.

The Pennsylvania Association held an interesting meeting at the Penn-Harris Hotel, Harrisburg, May 27. It was covered under the caption of "Money Lenders of State Meet Here," in the *Harrisburg Patriot,* as follows:

"A meeting of the Pennsylvania Industrial Licensed Lenders' Association was held yesterday at the Penn-Harris Hotel. It was attended by representatives from Philadelphia, Lancaster, York, Easton, Allentown, Reading, Lebanon, Wilkes-Barre, Scranton, Williamsport, Altoona, Johnstown, Erie, Pittsburgh and Harrisburg.

After luncheon was served, Senator Scott S. Leiby addressed the meeting on the subject, "The Evolution of the Industrial Loan Business," in which he complimented the members upon their faithful observance of the statute which regulates their business and said that the criticism of former years was no longer justified and the day would come when the business would be recognized as being as necessary and respectable as any branch of the country's financial system.

In the absence of the banking commissioner and his two deputies, all of whom hoped to be present at the meeting, George H. Orth represented the State Banking Department. Mr. Orth said the industrial loan problem had been solved in this State when the Legislature approved the amendment to the Cox law in 1919 and that the department's investigation had shown all licensees were complying with the law in every particular.

He said out of an investment of from three to five millions of dollars in small loans of three hundred dollars or less divided into many thousand loans only two complaints had been filed with the department during the past year in which the borrowers' claimed to be overcharged.

Investigation showed in the one case the lender had not charged all he was entitled to under the law and in the other the borrower declined to send his receipts to the department to substantiate his claim.

Resolutions, pledging help to all applicants for loans who desire to buy houses, assistance to the working classes who find it necessary to dispose of their Liberty Bond and discouragement of unessential loans were adopted.

The Pennsylvania Association expects to be well represented at the national convention of the American Industrial Licensed Lenders' Association, which will be held in Indianapolis in September. At this gathering representatives from all over the country who are engaged in the industrial loan business meet and discuss the problems of the business and how it may be improved.

The Union Loan Company, of Beaver Falls, Greensburg and Oil City, and E. V. Martin, of Philadelphia, were elected to membership. The next meeting of the State organization will be held in Pittsburgh. The present officers are: E. P. East, Philadelphia, chairman; C. H. Watts, Philadelphia, secretary, and C. H. Harris, Pittsburgh, treasurer."

200 LOAN SHARKS DRIVEN OUT BY "POOR MAN'S BANK."

Chicago borrowers saved more than $7,000,000 last year through the operation of the Illinois small loans act, and nearly 200 loan sharks were driven out of business.

The "poor man's bankers," loaning amounts of less than $300 at 3½ per cent., have accommodated nearly 45,000 small tradesmen, laboring men, teachers, and men on salaries. The total of the loans exceeds $3,864,000. The figures were made public yesterday by Arthur L. Weinschenk, member of the Executive Committee of the Industrial Licensed Lenders Association, which will hold its quarterly meeting Friday night at the Hotel Morrison.

The Association is working for uniform small loan laws in every state. Twenty states already have laws similar to the one in Illinois.—*Chicago Daily Tribune, April 27.*

INDUSTRIAL LENDERS NEWS

Established 1916.

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Correspondence and items intended for publication should be addressed to Geo. W. Kehr, 204 Chestnut St., Harrisburg, Pa.

NATIONAL OFFICERS, 1919-1920.

Chairman, C. H. Stratton, Sullivan, Indiana.
Treasurer, J. H. Aufderheide, 860 Lemcke Annex, Indianapolis.
Secretary, G. W. Kehr, 204 Chestnut St., Harrisburg.

VICE-CHAIRMEN.

Conn.—A. S. Edwards, 42 Bank St., Waterbury.
Ill.—L. C. Harbison, 81 E. Madison St., Chicago.
Ind.—A. C. Broughman, 304 Marion Natl. Bk. Bldg., Marion.
Iowa.—T. J. Harrison, 115½ E. 4th St., Waterloo.
Md.—H. T. Mattingly, 102½ Parls Ave., Baltimore.
Mich.—F. E. Stroup, 507 Commercial Bank Bldg., Grand Rapids.
N. J.—J. W. Whitstone, Frost Bldg., Plainfield.
Ohio.—F. J. Schneider, 2063 E. 4th St., Cleveland.
Pa.—E. P. East, 175 Fifth Ave., New York.
R. I.—W. G. Wood, 268 Westminster St., Providence.
Va.—J. E. Edge, 202 N. 1st St., Richmond.
W. Va.—Wirt V. Hawkins, 301 Wheeling Bank & Trust Bldg., Wheeling.
Unorganized States.—R. M. Rutherford, 203 Coleman Bldg., Louisville, Ky.

COMMITTEES.

Chairman, Auditing, E. P. East, 175 Fifth Ave., New York.
Chairman, Finance, W. G. Wood, 268 Westminster St., Providence.
Chairman, Law, F. R. Hubachek, Esq., 610 McKnight Bldg., Minneapolis.
Chairman, Legislation, R. M. Rutherford, 203 Coleman Bldg., Louisville.
Chairman, Membership, W. A. Zumpfe, 701 Odd Fellows' Bldg., Indianapolis.
Chairman, Publicity, A. V. Hart, 1020 Chestnut St., Philadelphia.

The National Council is composed of the National Officers, Vice-Chairmen, and Committee Chairmen.

STATE SECRETARIES.

Conn.—H. G. McMullin, 757 Main St., Hartford.
Ill.—L. T. Baker, 109 N. Dearborn St., Chicago.
Ind.—R. C. Aufderheide, 860 Lemcke Annex, Indianapolis.
Iowa.—O. T. Clark, 315 Flynn Bldg., Des Moines.
Md.—W. P. Pentz, 111 N. Charles St., Baltimore.
Mich.—J. A. Macbeth, 516 Penobscot Bldg., Detroit.
N. J.—P. L. Alberse, 411 Romaine Bldg., Paterson.
Ohio.—J. Fred Anderson, 401 Bushnell Bldg., Springfield.
Pa.—C. H. Watts, 1011 Chestnut St., Philadelphia.
R. I.—J. H. Wickstrom, 87 Weybosset St., Providence.
Va.—A. B. McMurtrie, 417 E. Broad St., Richmond.
W. Va.—Robt. McKiernan, 304 Kanawha Nat'l Bank Bldg., Charleston.

OBJECTS.

The objects of this Association shall be to improve the small loan business; to advocate legislation, having the approval of this Association, uniform in character and providing for State License and Bond, and supervision and examination by state officials; to assist in education of the public to the service rendered by our members; to obey the uniform loan laws ourselves and police the business; to regulate public advertisements and circulars, so that they shall be truthful and straightforward; to establish uniformity in forms, books, and accounts, satisfactory to the licensing officials; to maintain good relations with all state officials and their examiners, and deal with them frankly in a spirit of coöperation; to assist and coöperate with all members of this Association and affiliated state associations in respect to accurate credit information, and assist in the collection of accounts, dealing with them always in a spirit of fraternity and helpfulness; to provide occasions for pleasant social intercourse between members.

INDIANA.

Under the title "Lenders Name State Officers," the Indianapolis Star on May 20 printed the following interesting account of the meeting of the Indiana Association, held in Indianapolis, May 19:

"The national convention of the American Industrial Licensed Lenders' Association will be held in Indianapolis this year on Sept. 20, 21 and 22, according to the plans of the national executive committee announced by C. H. Stratton, national chairman, at the annual meeting of the Indiana department of the association at the Claypool hotel yesterday afternoon. Robert J. Spencer, Jr., of Marion, was elected president of the state organization. R. C. Aufderheide, secretary, and W. P. Hancock, treasurer, both of Indianapolis, were re-elected.

Mr. Spencer gave an address on "The Financial Situation" and urged greater co-operation to stabilize business conditions. "Personal contact," he said, "is a necessity for thorough understanding. This is no time to 'pass the buck.' Each one of us must through individual efforts and our individual efforts united in community service, teach thrift, practice thrift, urge conservation and demonstrate Americanism to reach once more a more stable and reasonable prosperity."

Speaks on Success.

H. H. Burrell of South Bend, spoke on "Standards of Measurements." The three essentials to success in all lines of business were pointed out as advertising, service and morality. Other speakers were Dr. T. Henry of Logansport, who talked on "Collections," and Ben Blumberg of Terre Haute, whose subject was "Justifying the Rate." Fifty-three members attended the noon luncheon given by the association and the meeting which followed. W. I. Marsh and W. P. Woll, both of Chicago, were present, representing the Illinois association.

MARYLAND.

Minutes of the Annual Meeting and Banquet of May 11, 1920.

The regular Annual Meeting and Banquet was held at the Emerson Hotel, Tuesday, May 11th, 1920. The meeting was called to order by its Chairman. After the reading of the minutes by Mr. Roach, who acted as secretary, due to Mr. Pentz's absence, a letter was read from the Governor of the State, who expressed his deepest regret at his inability to be present, and one from the National Chairman.

There were only thirteen present. Several persons, after notifying the Secretary they would be present and having had their places guaranteed at the banquet, failed to appear, which threw the expense on the Association.

The Treasurer made his annual report, and said up to May 11, 1920, the Association had in the treasury $135.22, with all bills paid.

The Chairman gave a talk on the Association work for the year, referring to its progress and good work done as a body.

The Executive Committee also reported.

Officers for the ensuing year were elected as follows: Mr. H. T. Mattingly, Chairman; Mr. W. P. Pentz, Secretary; Mr. J. D. Goldrick, Treasurer; Mr. E. E. Hougham, Chairman Executive Committee.

The chair called a meeting for Tuesday, June 8th, 1920, at which time the National Convention would be discussed, for which arrangements would be made.

Among the guests were Mr. Howard Bryant, President of the first branch City Council, Mr. King and Mr. Sanderson. Mr. Bryant promises to have the Governor and the Attorney General both present at the Annual Meeting next year.

The meeting then adjourned to the banquet table, where a fine menu and cigars were enjoyed.

W. P. PENTZ, *Secretary.*

OHIO.

On May 15 the following interesting communication went out over the signatures of Chairman Dyer and Secretary Anderson:

"At a meeting of your Executive Committee on the 6th instant, the annual meeting of the Association for 1920 was fixed for Thursday and Friday, July 8th and 9th, at Cleveland, Ohio, with headquarters at the Cleveland Hotel. The local Cleveland members extend a pressing invitation to all members to attend this meeting. A very interesting program is being made up, a part of which will consist of entertainment for the ladies who may attend. As a part of this program, a banquet will be provided with several after dinner talks by prominent people. No member of our Association can afford to miss this feature of the program, as your committee hopes to surprise everybody with the interesting things that will be said and done at this banquet.

Your committee further set apart the morning session of July 9th for an exclusive manager's meeting. A manager will be appointed to preside and make up a program, and the entire session will be devoted to a discussion of office and management problems participated in by managers only. This will give them an opportunity to propose and discuss anything that may be interesting or helpful in the daily transaction of business.

It has been proposed to amend our constitution so as to fix the *average loan balance* as the basis of calculating annual dues in place of the gross amount of loans. An amendment of this character will be presented for adoption.

Our legislative committee will no doubt be prepared to present for discussion several suggested amendments and changes in the Lloyd Act. All such proposed amendments should have the very careful attention and consideration of all members of our Association, and this convention will afford a splendid opportunity for the examination of all such amendments.

A complete program will soon be prepared and mailed to all members in order that you may know in advance about the important matters to come up for discussion. Our Cleveland members promise to make us all feel at home and enjoy ourselves during our stay in the city.

If any of our members should be called upon to pay the Federal pawnbroker's tax, for the privilege of using a salary assignment, either alone or as additional security to a chattel mortgage, it should be paid "under protest" in writing so that such tax may be refunded in the event the department changes its ruling or the courts hold the payment of this tax to be illegal in a test case, which may soon be filed."

ILLINOIS.

We are pleased to print Judge Dyer's address at the meeting held in Chicago April 30.

He addressed the meeting as follows:

"I appreciate the complimentary remarks of your chairman concerning Ohio and the part she has played in the small loan business. Every Buckeye, I think, has a right to be proud of his state, because of its history, its resources, its hospitable people, and its record in the past in furnishing presidents, and its willingness now and in the future to furnish candidates for both the great parties. I can best express my feeling of loyalty to the grand old Buckeye State by reciting two stanzas recently written by Lucian Seymour:

" 'The sun never shone on a country more fair,
Than beautiful, peerless Ohio.
There's life in a kiss of her rarified air,
Ohio, prolific Ohio.
Her sons are valient, and noble and bright;
Her beautiful daughters are just about right;
And her babies, God bless them, are clear out of sight—
That crop never fails in Ohio.

" 'When the burden of life I am called to lay down,
I hope I may die in Ohio;
I never could ask a more glorious crown
Than one of the sod of Ohio.
And when the last trump wakes the land and the sea,
And the tombs of the earth set their prisoners free,
You may all go aloft, if you choose, but for me—
I think I'll just stay in Ohio.'

"Next to living and dying in Ohio, as I see it to-night, I should prefer to live in Illinois. You have reasons to be proud of your great state, with the waters of Lake Michigan washing your northern shores, and affording an outlet for your commerce by water, and with the beautiful Mississippi connecting your state with the great fertile agricultural regions of the Middle West, and carrying your products to the Gulf on the south, and over it to the great markets of South America; a state where 50 per cent. of your natural resources are devoted to agriculture, feeding not only your own people, but a large portion of the rest of the country; a state containing more than 30 cities with a population of over 10,000, with one metropolis second only in size, if not first in importance, in the country;—in such a state is it any wonder that we should find men with an abundance of pep and energy as members of your Association, the largest in number and the most aggressive in pushing the good work undertaken by both your State and National Associations. As I went about the streets of your city to-day, pushed and carried along by the surging mass, I was reminded that I was in the 'Windy City,' where speed and action predominates even on the streets, and I called to mind what a famous Englishman once said about the speed with which Americans were living by remarking that 'The Americans are living so fast that the *Saturday Evening Post* is delivered on Thursday.'

"Above and beyond living either in Ohio, Illinois or any other state, is the greater privilege of being a citizen of the United States of America. We are constantly reminded that we are living in a *big* country, where *big* things are being done every day in a *big* way. Do you realize that during the past 50 years,—a period less than the short span of most of our own lives, practically all of our railroads, telegraphs and telephone, have been built; the aeroplane, and the submarine have been invented; electricity and gasoline have taken the place of the horse; the civil war, the war with Spain, and the terrible war with Germany, have been successfully terminated. One President liberated more than four million slaves by a stroke of his pen, and another planted the seeds of freedom in foreign soil until republics have become the rule of government in almost all parts of the world; women have been enfranchised in many civilized countries, and an American-born woman now holds a seat in the British House of Commons, and right here in Illinois you have a brilliant young lady as chief examiner for the State Department of Trade and Commerce. I heartily congratulate Miss Cartmill upon holding that important position. Our country leads the world in the cultivation of the soil, the output of our factories, the number and value of our inventions, the size and number of our banks, insurance companies and trust companies; in the riches of our laboring classes, the comfort of their homes, the size of their wages and their general prosperity. This has not been done by or for dukes, princes, earls, counts, barons nor kings, nor by the rich or their sons,—it has been accomplished in almost every instance by the boys and girls from the farm, or in the factory with not more than a high school education,—by that class known and recognized in our country as the common people. Realizing all these things, may we not all exclaim, America is good enough for me, and if it is not good enough for any one else living here, in the language of the noted English cartoonist, 'Let them find a better 'ole, get in and stay there.'

"Not less has been accomplished during the past ten years to uplift and dignify the business in which most of us are principally engaged. Favorable public sentiment has been created until now we have practically the Uniform Bill in operation in 10 states, and regulatory laws more or less efficient in 6 other states. I shall not dwell on this feature of our progress, because I am reminded that this Association heard read that splendid paper prepared by Mr. Wood, on 'Yesterday and To-day,' and have had the pleasure of listening to Stratton, Rutherford and Aufderheide, on the various phases of Association work. These men are all rendering distinguished service for the benefit of our business generally, and they should have the united and unqualified support of every man engaged in the small loan business.

"I have spoken of the pride that we all have in our home cities, our home states, and our great country, more for the purpose of illustrating the loyalty and fidelity we should show to our State and National Associations. By these comparisons we realize the relative influence of the small and big things in life and business. As an individual loan man in any community, we are of small importance. As our business grows in volume, we take a more prominent place in local affairs. When we get the boys together in our cities and organize, we find quite a few operating problems that are common and how our managers may be helpful to each other. In combining our strength into a State Association, we find our importance in the business and political world rapidly expanding and public attention is directed to our developing and increasing strength. Then we see the place and importance of a national organization where the wide-awake and progressive members of our State Associations can exert and broaden their influence by combining and utilizing the successful experience and ability of its big men in all states, in protecting, guiding and guarding the best interests of our business.

"Again I repeat, we are living in an age of *big* things, where influence counts only through organization. The Interchurch World Movement illustrates this trend of the times. Where formerly 30 denominations were operating separately and independently in their endeavor to Christianize the world, dissipating their funds, scattering their energies and resources, and duplicating their work, now the wise men of these churches have concluded, that since there is but one common object and purpose to be accomplished, it can best be done through one united Association, combining their whole strength and eliminating wasted efforts in their great work to be accomplished. The international labor movement, having for its purpose the uplift of labor conditions in other parts of the world for the indirect benefit of American labor, shows the trend of this influence in its sphere of action. These labor organizations are taking advantage of the world impulse to better conditions as a result of the world war. At Kansas City the other day the National Growers Association was organized, made up of the producers of our country, to increase their profits and lower costs to the consumer by establishing direct contact with each other. These are some of the new big things now being put forth to change and improve existing conditions, and they bring home to us the fact that other lines of endeavor are rapidly evoluting and expanding the same as the loan business.

"We are reminded also that we are living in an age of extravagance led by the government itself. No age or civilization has ever witnessed such unbridled waste, extravagance and prodigality both in governmental affairs and in the business and private life of the people. It seems to be a race between advancing costs, shorter hours, curtailed production, sumptuous living, and consuming desire for pleasure, and all without much

work as a part of the program. Many financiers believe we have reached the peak of high prices, and they explain by reciting that foreign trade must decline on account of the present difference in foreign exchange. This in a short time will produce an over-supply in this country and a decline in values. If this prediction comes true, the improvident investor and those who have contracted habits of prodigality in living, will soon find themselves cramped for cash or credit. Then the quack statesman will be abroad with his panceas, and naturally the deserving poor who are always first to suffer under such circumstances will be made to feel that they are unfairly treated by the government and possibly by those with whom they deal. When this time comes, as it surely will, fortunate indeed will those of us be who live and do business in states where wholesome laws surround and protect our business, and where our patrons are satisfied and contented with regulations prescribed by state authority.

"Do you appreciate how carefully the laws relating to finance have been framed in the past, and what great effort has been expended to get the laboring people to deposit their surplus earnings with banks, trust companies, building and loan and other kindred financial institutions, at small interest rates, without furnishing them with any means of procuring accommodations when in need? All such laws exclude the only security the deserving poor man has to offer, and they have been politely told by these financiers that the poor should not borrow and that their only salvation is to accumulate an account in their institutions to use when adversity comes upon them. This fact explains the presence in the business world of the small loan concerns and the insistent demand for its service.

"We have a long road to travel before that part of the general public who have not been compelled to use our service, will be convinced of the necessity of our business or will become its willing advocate. We can hope for favorable public opinion only by constant right living and dealing with the public; by urging the passage of sensible laws fair to the lender and borrower; reasonable regulations and effective supervision which will protect the honest lender striving to build up a reputable business and which makes his investment safe and secure, and who furnishes that kind of service which produces satisfaction and a lasting and continued friendship with our patrons.

"It is most unfortunate that we must spend so much time and effort in bringing some of our own people to the realization of the fact that the small loan business can no longer be operated as an outlaw in society. Those engaged in the business who still persist in opposing the enactment of wholesome laws, must be made to understand that hostilities have been declared by our State and National Associations against all the evil practices that have heretofore surrounded this business and that this war will be continued until we have wholesome regulatory laws in every state, and those who are not willing to submit the daily conduct of their offices to the inspection of public officials, must be eliminated and forced to embark in some other more congenial enterprise. It is somewhat discouraging to note the result in Kentucky where the legislature has twice turned its back on remedial legislation, but the time will come when the colonels of Kentucky will see a new light, and when the leaders of labor will not lend their influence to the defeat of a law which was intended for the special protection and benefit of their people. On the other hand it is mighty encouraging to know that in every state where laws exist and Associations are formed, state officials welcome friendly intercourse and exchange of views, and that practically all complaints and prosecutions are lodged against non-members; that laws are not being enforced against us because they are being obeyed; that through the avenues of our Association our members in the East, West, North and South are becoming acquainted with each other in a business and social way, and as a result, unfair competition and cut throat methods are a thing of the past. Co-operation is the slogan. Our unity of purpose, ideals, funds and endeavor are fast making their impression upon the timid public mind and soon we shall see our business recognized *as a community asset* along side of the banks and other financial institutions of recognized business repute.

"The message I bring from Ohio to Illinois to-night is—We mutually have an *Ideal*. This Ideal is substantially expressed in the Uniform Loan law, which we want passed in every state where no law now exists. It is approved and supported by strong influences outside our own organizations and is fast obtaining new friends and advocates. Let us support our State and National officers not only by voice and pen, but with funds sufficient to enable them to do their work efficiently, and whatever of effort or funds we contribute will be multiplied ten-fold in good results to all of us, is my firm belief."

MULTIGRAPH
FORM LETTERS

Our shop is specially equipped for the needs of the Modern Loan Office.

Tell us your needs and ask for prices.

FRED E. CIRCLE,
New Castle, Indiana.

COMMUNICATIONS.

University of Pennsylvania,
351 Baldwin St., Phila., Pa.,
May 28th, 1920.

Mr. G. W. Kehr,
204 Chestnut Street,
Harrisburg, Pa.

Dear Sir:

I wish to take this opportunity to thank you for your kindness in helping me gather material for my report in Banking. The report is now in the hands of my quizmaster in that subject. When he returns it to me I should be only too glad to send it to you for your opinion.

The consideration which you and Miss Coombs, and some of the other people to whom I wrote for information, have shown me is very gratifying and it makes me realize that perhaps the cold world is not quite freezing, at least not so cold as some of the members of the faculty here make it out to be.

Thank you once again, sir, for your kindness, and the trouble and time you took on my account is, I assure you, sincerely appreciated.

Very respectfully yours,
Edwin W. Taylor.

The above answer was received as a result of the National Secretary's effort to assist this young man in the preparation of his graduating thesis, the subject of which was "Industrial Loan Associations in the United States." It would appear that the professors of political economy believe this subject of sufficient interest to merit the attention of their students.

BUSINESS BUILDING.

Like Agriculture and Labor, Business is to be represented in the National capital by a permanent home, and the A. I. L. L. A. will be represented through its contribution to the United States Chamber of Commerce, which has already received in subscriptions over $2,000,000 for the project.

N. F. CONVENTION.

The National Federation of Remedial Loan Associations will hold its Annual Convention in Newark, N. J., at the Robert Treat Hotel, June 17, 18 and 19. The following program has been announced:

Thursday, June 17th—10 A. M.

Report of Chairman, Arthur H. Ham, New York; Report of Secretary-Treasurer, J. E. Ryan, Detroit, Mich.; "Progress of the Uniform Law," Walter S. Hilborn, Acting Director, Russell Sage Foundation Division of Remedial Loans.

Thursday, June 17th—2 P. M.

"Interest Rates and Dividends," Albert C. Auger, San Francisco, Cal.; "The New Borrower," Charles F. Bigelow, Providence, R. I.

Friday, June 18th—9 A. M.

"Problems of the Pawning Society," R. Cornelius Raby, New York, N. Y.; "The Adoption of a Uniform Pledge Bill," F. A. Phillips, Rochester, N. Y.

Friday, June 18th—2 P. M.

"Prohibition and Borrowing," D. S. Coffey, St. Paul, Minn. Round table discussion of (a) "Short Term Loans vs. Long Term Loans"; (b) "Remedial Work of Pawning Society Compared With That of Chattel Loan Business"; (c) "Foreclosure Systems: 'The Legal Machinery and the Cost Involved'"; (d) "Fluctuating Value of Pledged Collateral: 'Increased Value of Precious Stones. The Market for Unredeemed Pledges. Chances and Consequences of a Sudden Break in the Price of Diamonds.'"

Saturday, June 19th—9 A. M.

Miscellaneous business. Election of officers.

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INDUSTRIAL LENDERS NEWS

Official Organ American Industrial Licensed Lenders Association Which Is a Member of the Chamber of Commerce of the U. S. A.

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THE FINANCIAL SITUATION.

Robt. Spencer, Jr., Marion, Indiana, Vice-President Grant Savings and Trust Co.

The common expression "The country at present is facing a grave period during reconstruction" is worn threadbare and the knowledge that we are at present facing new conditions regarding which we have had no former experience to govern us is generally recognized. Each day's experiences have been educative, and a formulative policy is impossible.

The banking institutions have performed their part through the adoption of restricted credits which is most proper as it will be much easier to control credit now than to adopt a strict curtailment of the same when it has become unwieldly and would mean financial embarrassment for many businesses.

Manufacturing as a rule shows undiminished activity and in most commodities the demand far exceeds the supply. A partial embarrassment for manufacturing industries has been incurred through the outlaw railroad strike with its attendant embargoes. This affects not only the producers and merchants but halts industry generally and incurs individual loss to all.

Crop conditions are at present rather disappointing. Much of the wheat crop has been lost and according to the latest reports from the Department of Agriculture, the present crop will not equal the ten-year average.

There is perceptible in all business a general contraction toward conservative buying and merchandising, a tendency toward careful management and the accumulation of a reserve rather than an unreasonable expansion of borrowing capacity.

At present the nation has gone generally to an extreme where each man is for himself and the last man in takes the small end. There is a most serious lack of coöperation and a feeling of uncertainty regarding the next man's policy and intentions.

The success of a community is entirely dependent upon the individual coöperation, just as the welfare and prosperity of the State is dependent upon the coöperation from its various communities. Selfishness and individual dealing mark each day's transactions and the fact of one or more business coördinating seems to be a lost art unless they are possessed of the same capital control.

Manufacturing industries have made most unusual returns to their stockholders, as in fact most merchandising firms have. Prices have been decided by demand, served by a restricted supply in order to effect undue inflation. This has been a hard proposition to figure when the primary producer has been given the consideration to which he is entitled.

The American farmer is the basis of the nation. When transportation ceases his raw product is unable to reach the consumer and the factory. His wheat and corn clogs the tracks of the railway terminals and food markets reach unprecedented heights. Threatening labor disturbances are largely up to him and his part in the restoration of normal conditions is a major part. The country largely depends upon the conservative element furnished by its rural population for protection against radicalism; also for the education of its future population and the general productivity of the nation. Is it asking too much to insist that other interests be more considerate and coöperate more with the primary producer who has had so little in the general profit taking? It is generally admitted that all stock feeding the past winter through has been done at a loss although the profit of the packing industries has never hesitated.

Wages have gone to unprecedented levels. Standards of living have increased and improved, but the general idea of thrift or accumulation for protection and investment seems to be a missing factor. This has been recognized by the Government but not practiced. Banks are confronted at the present time with the duty of an educational campaign through newspapers or other direct publicity for the purpose of encouraging and making attractive the thrift idea.

The habit of a weekly payment will grow. Regularity in the performance of any given practice forms habit. Habit in saving means thrift and a man with a bank account is seldom a radical.

Weekly and monthly savings, partial payment, bank loans and your own payment plans are effective in demonstrating what a small payment consistently made will accomplish.

The reaction against extravagance and useless expenditure, the overreached credits and the expanding valuation will be forced to legitimate bounds by the conservatism and good judgment of the people at large.

Prosperity is everywhere. The demand is unprecedented and business is big, but the buying power of the dollar is sadly depreciated.

The lack of coöperation and the fact that individual effort cannot accomplish what coördinated force is able to will be made more and more apparent, even than it is at the present day. People are realizing that the individualistic and selfish attitude is impossible of permanency and that a legitimate and satisfactory growth is accomplished only through community service and a growth of the general community.

Radicalism has made its appearance through thoroughly camouflaged channels and deceptive terms, seeking to sap the stability from our most sacred tenet and institutions. Individual propaganda will strengthen our general doctrines and the individual's duty to teach true Americanism is made more apparent each day.

Personal contact is a necessity for thorough understanding. This is no time to "pass the buck." Each one of us must through individual effort and our individual efforts united in community service, teach thrift, practice thrift, urge conservatism and demonstrate Americanism to reach once more a stable and reasonable prosperity.

SALARY ASSIGNMENT RULING REVERSED.

Due to the argument of the chairman of the National Law Committee, F. R. Hubachek, before the Internal Revenue Commissioner in Washington, last month, his ruling imposing upon those who take salary assignments as security for loans the special pawnbroker tax of $100.00 per annum and penalties, that ruling has been reversed and no person who takes a salary assignment is subject to this tax.

The Internal Revenue Department says: "This question has been reconsidered and it is now held that a person who takes as security for the loan of money, assignments of wages or other nonnegotiable claims is not liable for the special tax imposed on pawnbrokers by Title 10, Section 1001, subdivision (2) of the Revenue Act of 1918, thus revoking paragraph (b), Article XI of Regulations 59 relating to special taxes."

This ruling involves a saving to our members and others who will benefit by it, a sum approximating $50,000.

NATIONAL CONVENTION.

It is to the interest of every institution in the industrial loan business in this country to have a representative at the National Convention, which will be held at the Claypool Hotel, Indianapolis, Sept. 27, 28, 29. The vacation schedule should be so arranged that each office can send someone of its staff to our annual gathering.

We expect to have a good, strong program, full of interesting discussions on timely subjects. We also hope to have some features that will depart from the serious. Any who attend are sure to be well repaid for the time and money spent. There are some subjects scheduled under the business session of the convention which have a great bearing on the future of our business.

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THE INDUSTRIAL BORROWER AND LEGISLATION.

Benj. Blumburg, Terre Haute, Indiana.

Interest rates have always been on the defensive, and justifying interest rates is as old as money and as ancient as human nature. The money lender and his profit are as little understood as the profiteer and his. In Biblical times all interest was prohibited as usury. The fourth volume of the "Decline and Fall of Rome" tells us: "That the loaning of money and taking of interest was prohibited by legislature, but that soon commercial necessity revived the practice of making loans at interest which were strictly *regulated* by legislation." Interest was prohibited in England until a decree of Henry the Eighth in 1545, which first sanctioned interest taking. The United States accepted this inheritance and has modified, regulated and permitted some form of interest ever since.

In modern days the taking of interest is so closely allied with banks and banking that we cannot discuss one without discussing the other. Interest and banking had ridden on a troubled sea. They have gone through a long series of battles against prejudices and misunderstanding and mistakes. Only after the hardest kind of a fight and the employment of the most ingenious argument could Alexander Hamilton succeed in obtaining the first national banking law. The national banking laws were agitated and bitterly opposed at different periods in our history, but particularly just after the Civil War when it was proposed to ameliorate the panicky conditions then prevailing. The strongest argument in its favor was that more banks would serve as a currency reform and provide more money for the public.

Why are banks and interest so closely associated? The New York Supreme Court has defined a banker as "an intermediate party between the borrower and the lender," and the United States Supreme Court has defined banking as a "business of establishing a common fund for lending money." Thus we see that money lending is the chief function of the bank.

The history of legislation on our banks has been a series of acts restricting and changing them, and is concisely stated by Magee on Banks and Banking thus: "The privilege of banking was originally a common law right without restrictions or restraint of law, but the flagrant abuses of the business from the absence of laws of control and regulation have brought about the enactment of laws of strict supervision and regulation. It is now well settled that the business of banking unless conducted as authorized by the legislative authority of the State is forbidden. Many States have enacted safety laws regulating the powers and limitations of this business. A bank comes within the scope of a public utility and is therefore subject to strict regulations and control of law."

On account of the slow growth of banks and the distrust felt for them by the common people their field has always been a narrow one. Their position of trust and responsibility to the depositors have made them lend their money only upon the *highest* grade of security. The large amounts which have come into their control has made it impracticable for them to make any other than large-size loans in multiples of hundreds and thousands of dollars. They have catered to the wealthy, the powerful and the financiers—refusing credit to the poor.

It is a peculiar phenomena in the field of banking that although they solicit deposits of rich and poor alike, their loans are extended only to the rich, as a current joke has put it: "A bank is the place for a poor man to put his money so that the rich man can get it when he wants it."

Henry W. Wolff, International President of Coöperative Banks, has forcibly outlined the situation, as follows: "Our system of free banking has filled our towns, down to the very little ones, with banking shops of all kinds. However, these banks, many as they are and varied as they are, cannot supply more than a mere fraction of all the demands that may arise because of the vast difference in their own ways and those of their would-be small loan customers.

This has been due to the absence of any common standard of value of securities, and securities of the kind at present recognized by bankers the poor people have not got. There is accordingly a wide gulf between the two which has not yet been bridged." He offers a solution in a coöperative bank or a bank in which the poor man can buy five or ten dollar shares of capital stock and at the same time borrow in small amounts, offering his chattels, household goods, live stock, etc., for security. These institutions have been successful in foreign countries, but they are not needed in the United States, where the petty money lender now operating is satisfying this need and serves as a satisfactory go-between connecting banks and the small borrower.

It has not been *fair* to the community at large that the bankers have restricted their credit only to the wealthy, the manufacturer, and the influential merchant. It has not been fair to the laborer, wage earner, renter, school teacher and stenographer. Your merchants and manufacturers cater to all alike, you provide hotels, newspapers, food, etc., for all alike. Why not loans?

The matter of lending money is as much an essential *business proposition* as the production and distribution of commodities and like the merchant between factory and consumer, between the source of money (the banks), and those who need money in small amounts (the poor man) stands the industrial lender. He has provided the ambition and stimulus necessary in any true business venture. He has realized that the use of borrowed cash among the poor could invoke largely generating power and promote production profitably for the world. He knows that to give the common people the use of more money will make this a better world to live in, and he also knows that providing this money with the obligation to pay it back not only stimulates industry but strengthens character. That the duties imposed thereby make men better morally and socially.

Now that we have justified the business, let us analyze the business and it will be easy to justify its charges. The average loan handled by these industrial lenders ranges from $40 to $70 and attached to these loans is the large amount of labor of investigating credits, appraising security, an especial need for vigilance, many risks involved in labor conditions and a large amount of ingenuity in protecting collections.

The fact that the loans range from $5 up, and that the payments range from fifty cents up through odd calculations, involving pennies, and the contracts vary in many different forms of weekly, biweekly, monthly and quarterly payments, entail intricate records and bookkeeping. All of this can not and should not be saddled on such public institutions as banks and trust companies, whose interest charges are small.

This business is highly *speculative* and belongs in the same class with the ordinary business risks of merchandising and manufacturing. It should be in the hands of a private enterprize where risks are willingly assumed if compensated for, labor gladly expended if paid for, vigilance and ingenuity offered where the profits are sufficient.

The next question is what is just compensation? Although we cannot hope to persuade the general public, or our courts and legislatures to consider compensation for this class of loan as anything but interest, because it is a principle of law deeply and firmly rooted in our legal structure, as stated in 110 U. S. reports, page 104, by the United States Supreme Court, that "interest is

the compensation allowed for the use or forbearance of money," and legislatures must expect to compensate small loan brokers for their labor and vigilance and ingenuity when associated with the lending of money by means of interest: However, when the business of lending money to the poor man is to be taken up we must remember that bankers' rates are made possible by two things: first, the money they loan out costs them very little or no interest and the amount of available loan funds is approximately ten times their capital stock. Second, they loan only upon the highest class of security and in large amounts which industrial lenders can not hope to obtain nor expect. But banks do have a net profit and it is a just standard by which to set the gross profits for the small loan financier.

In considering new laws on this subject, remember that the lender can only make a profit if you provide for him free capital by way of deposits, or increase the legal rate of interest for his class of loans.

I have gathered a few statistics to show that this legal, fair and reasonable compensation allowed to banks to-day amounts to much more than 36 per cent. per year. In the Indiana State Auditor's report, dated September 30, 1917, it is found that in the 377 banks in Indiana there is $34,818,800 capital invested, while the total outstanding loans amount to $229,949,024, or more than six times the invested capital. If these loans all received the ordinary interest of 6 per cent. per annum, their gross profits would be 36 per cent. of the invested capital and in fact the report on the 195 private banks shows that their loans amounted to eight times their invested capital of $3,250,000.00, enabling them to make a gross profit of 48 per cent.

The 1919 World Almanac, page 40, discloses that ending November 2, 1918, 56 New York banks had a capital invested of $205,650,000.00, on which their *net* profits were $372,606,700.00, or a percentage of 188. Among these individual banks we find the percentage of net profits varies as follows:

	Per Cent.
National Bank of Commerce,	96
National City Bank, ...	210
First National Bank, ...	311
Bank of America, ...	450
Hanover National Bank, ...	582

This is the reason that these banks' stock sell at figures varying from $250 to $700 per share, and it is generally conceded that *such* profits are fair, proper and reasonable. They are only possible to the large banks named and we are satisfied with them. Why are such enormous profits permitted to be earned from the lending of money? The law permitting such profits was necessary to induce the small banks in the small towns to operate at a small profit and to induce private capital and private enterprise to undertake the burden and responsibility connected with this business.

The small loan business as an auxiliary to the banking business is subject to the same economic experience as the banks, and whatever interest allowed small investments in small towns will profit less than large investments in the big cities. As necessary as banks are to both the small community and large community, even so necessary is the industrial lender, and the compensation allowed should be regulated on a basis which will keep the small investor interested as well as the large and should be designed to provide a petty money lender for small communities as well as large communities.

The small loan business being the offspring of the banking business is a member of the happy family in which merchandising and manufacturing are its cousins, dealing with the poor man, general public without favor, and the profits and compensation allowed to these cousins for their goods and service forms valuable criteria for fixing the compensation to which the industrial lender is entitled. It is a matter of common knowledge that merchants cannot expect to exist on net profits less than 20 to 30 per cent. on their investment and gross profits varying from 50 to over 100 per cent.

Merchants and manufacturers enjoy a turn-over in their capital, sometimes twice and three times a year, usually four to five times a year, according to how rapid the sales are effected and in the case of the food supply business, the butcher and the grocer, we are quite accustomed to the turn-over occurring every day. While on the other hand the money merchant knows no turn-over. His capital is either working or lying idle. His stock being money he cannot buy goods on credit and sell for cash, or *vice versa*. Under the uniform loan laws he does not collect any profits until after his stock has been used. During the war, he has not been able to watch his goods grow in value on the shelves, quite the contrary, he has watched his capital, which is money, depreciate in buying power. He cannot adjust his charges to meet increasing costs of operation because his charges were fixed by law before the war.

It is generally conceded that the small loan business is a risky business and yet there is no insurance provided to cover the risk except that of vigilance and ingenuity. On the contrary the industrial lender provides insurance to the bankers that lend their funds through the petty money lender to the needy wage earner and petty merchant.

What is a just compensation for assuming this risk and insuring the banks? We may be permitted to glance for a moment at compensation allowed to insurance companies which insure against other risks. Again quoting from the Indiana State Auditor's report in the 1919 year book on pages 91 and 92, we find that the Columbia Insurance Company of Indianapolis in the year ending December 31, 1916, made a gross profit of $143,435.00 on a capital stock investment of $294,605.00, or 48 per cent. The Sterling Fire Insurance Company of Indianapolis made 53 per cent. and the statistics on the thirteen live stock insurance companies of Indiana, show a net profit of $6,114,170 on a capital stock investment of $2,382,352.00, or 256 per cent. And the American Central Life Insurance Company of Indianapolis made a net profit of 300 per cent.

This is just, proper and reasonable compensation for assuming risks of life and property and it is a standard for measuring compensation of the small loan broker for assuming the financial risks.

Is it not a proper parallel to say that he is insuring the borrower against the losses involved from unemployment, sickness, domestic troubles, by constantly standing ready to provide the financial relief when needed? And that furnishing a working capital to the young who are ambitious and industrious, is old age insurance against financial dependence.

The insurance companies are permitted their profits for accumulation of reserves and we insistently urge that the small loan business is equally in need of *reserves* to cover the contingencies of loss, resulting from floods, tornadoes, strikes, lockouts, financial depression, crop failure, war, death, removal of borrower, depreciation of security, business reverses, etc.

The industrial lender, by enabling the laborer to procure his needed tools, the petty merchant his stock and vehicles, the farmer his implements, seeds, and live stock, is an important cog in the wheel of production and the compensation therefore must be comparable to compensation provided to other producers.

One great connecting link in our field of production, which in itself can not be said to be producing or manufacturing, is the telephone company. In the World Almanac of 1917 is a statement of the Bell Telephone Company for the year 1917, a privately owned corporation which shows a capital stock investment of $505,403,777.00. Its gross revenue was $30,186,712.00, or 61 per cent., and their net revenue after deducting operating expenses was 14 per cent. of their capital stock. The telephone is a value to the community by bridging physical gaps, and the money lender parallels this service by bridging the financial gaps of the mass of the people.

The sole justification underlying all these questions of profits and compensation is a matter of service to the consumer and of value to the general public, and for the same reason, a good and reasonable profit is necessary in the industrial loan business because good service and real value can only be given by the best class of business men, and with wholesome business practices. A reasonable and just compensation similar to that allowed all other lines of industry and investments under the practice of law is the real cure for the defect in our bank system, which fails to provide funds for the small borrower. A proper and sufficient compensation to those now engaged therein will be the creative force which will make sharp practices and oppressive measures unnecessary and forgotten.

The loan business always has been and always will be in constant competition with all other lines of industry on the question of attracting capital and brains into its office, and if the best of our brains and best element of our financiers are not with it, they will be against it. If capital and men are to be drawn into petty money lending for its elevation and betterment, they must receive a compensation commensurable with other lines of activities. And it has been unquestionably demonstrated in Maine, New Hampshire, Connecticut, Ohio, Indiana, Illinois, Iowa, Nebraska, New York, Maryland, Massachusetts, Michigan, New Jersey, Pennsylvania,

Rhode Island, Virginia and other States, that 2 per cent. or 3 per cent. per month with fees or their equivalent, 3½ per cent. per month flat on unpaid balances, called the "scientific rate" by Prof. Eubank, is just and adequate. While all rates less than this, or no statutory regulation, has driven the best element out of the business, and unscrupulous law evaders into it.

COLLECTIONS.

D. T. Hurry, Manager, Legal Loan Co., Logansport, Indiana.

As the loan business is one of credit entirely, there is no part of it so important as collections. If the collection policy of an office is weak, its entire foundation is weak.

Each and every collection is a problem within itself and no set rules will apply to all. It is absolutely necessary that a manager know and keep in touch with the "ins" and "outs" of every account of his office. . With this knowledge, tact and intelligence are the principal requirements in successfully handling collections, irrespective of the length of time past due—whether one day, one month or one year.

In any office where a manager has one or more assistants, at least one hour's time should be spent every week by all in the office jointly caucusing about every delinquent account. Every assistant in an office should not only have a full and complete knowledge of every delinquent but should know the best plan and argument to use in the event the delinquent 'phoned or called in person to either pay or ask for a further extension of time for payment, and no other person in the office but the assistant.

The general public, including our borrowers, now realize that we can collect our money. A notice to the borrower, a 'phone call, or a visit by an agent, a suggestion that the payment must be met, usually is now sufficient; foreclosures are the exception rather than the rule. At one time this association caused a series of "ads" to be run, a part of the argument being that the loan business was now legalized. If other articles of a similar nature were used, such would be of a benefit and help in collecting our loans.

There is something radically wrong with an office that never has any slow or delinquents—either the manager or the policy or both should be changed. Some managers browbeat their customers to attain the personal satisfaction of knowing that they never have a slow account. Other managers are too conservative and refuse to make good business for fear that such business might sometime get one day delinquent. Any such manager that conducts his office in either of the two above-mentioned policies is publicly advertising his own weakness—his inability to be a money-making manager.

As to whether our accounts get delinquent, experience has taught us three very important things: first, the class of applicants that should be made, the way such applicants are made and the manner in which a loan is handled when the first payment goes delinquent. There is no excuse for a loan not being properly made and it is the fault of the office, not the borrower, if the same is not fully explained as to the contract. A full and complete application should be secured, whereby the office has knowledge of the names and correct addresses of relatives and also the place of employment and weekly or monthly wage. It is gross ignorance for any office to make the payment on a loan of a greater amount than the borrower can regularly pay.

Although an intelligent collection policy will do more to reduce the percentage of slow accounts than the most careful loan making, possibly no two men agree just what should be done first when an account goes delinquent. Most of us, when a loan is made, make out what is known as a collection card or a slow card, which is filed so as to notify us when payment on an account becomes due. Up to this time the account is considered an investment but every cent paid out after it is on the books is an expense, whether it be time, extra labor or expense, and is consequently charged against the profits.

There are three ways of looking after delinquent, 'phone, letter or notice, and collector. In talking to a customer over the 'phone you are in direct communication with your man and are able to judge conditions and know what to expect on the slow account. There are many arguments for and against collections by letter or notice. Some of the arguments for are as follows:

Banks, gas companies, light companies, 'phone companies and many other concerns collect by statements. In these lines of business, people are educated to pay at the offices—why not educate our borrowers to pay at our office? The customer who is educated to call at your office and make his payment, or will personally call when he is not able to meet his payment promptly according to his contract, is by far not only a satisfied customer but is also a money maker for your office.

By using notices or letters you know what has been said in each case. If a collector is sent out, you do not know in every case what has been said. Many good accounts are made slow by the collector's first call. Good business and your office standing is lost in many cases by inexperienced collectors. In four out of five cases, if collection is made on first payment, future payments will have to be called for—and the tendency of the borrower is to get slower each month.

A standard form of letter, or notice, can be used for every delinquent as a first notice; in most cases a different standard form can be used as a second notice. A special letter should be used for third notice.

At this time I will state some ideas as to collection policy that all of our offices follow:

We always try to secure new papers on an account at maturity—it makes no difference if but the balance is renewed.

We will not continuously accept monthly interest without payments being applied on the principal.

We try to impress on our borrowers that we are not in business just to secure the interest on our balances.

We do not encourage but discourage our borrowers to get delinquent just to collect more interest.

As concrete examples of the success in handling our collections almost by mail will state that in one town with a population of about 75,000 and a loan account averaging $50,000 at one time we employed a man whose entire duty was to call personally on the delinquents. Twenty-five to 40 per cent. of our accounts were always fifteen days or more past due. We then changed to notices and letters and cut our delinquents to 6 per cent. and our annual losses do not exceed one-half of 1 per cent. In another office which transacts business in five counties, having about 1,700 accounts and an investment of more than $100,000, the personal calls made during any month will not be more than 50, as these are also handled almost entirely by mail and 'phone. In the past two years, the annual loss has been about one-fourth of 1 per cent. each year.

Organize and develop a method and system in your collection department. Collect by plan and schedule. Do not allow your customers to feel that they are lost in the crowd—that your letter comes to them as one of a hundred sent out to delinquents. Get to them through your letter as you would in person.

In the past most loan companies and even to-day many offices, use a man for collections. This proves not only costly but very unsatisfactory. Any office that is using a collector on all slow accounts is using old time methods with a big expense item. Expense of a collector is a drag. Stop the slow customers at the time first payment is delinquent and you reduce your past dues. Reduce the number of letters and personal calls and you reduce the number of men necessary to operate your office. By the reduction you increase your profit. We must take into consideration that our maximum interest rate is fixed while our operating expense is and has been increasing every month.

In all of our offices we have no men known as collectors. At the time a loan is made this is explained to the borrower. A man that makes a personal call upon a delinquent states that he is the agent, special agent or assistant manager and never, either in or out of the office, does he use the word collector.

After all, your success in collecting accounts is very much a matter of understanding the people that borrow and concentrating our efforts on keeping them from getting behind. In other words we can not take it for granted that our customers will pay promptly, but we must see that they do. If all loan men would exercise sound reason and display proper judgment in the collection of accounts and aided by business like, legal methods, it would uplift the business and continue to reduce prejudice that may still remain against us. The unfavorable notoriety that we sometimes see in the newspapers is most generally caused by the methods and tactics of ignorant or unscrupulous loan men forcing their collections.

In conclusion will state that all other things being equal, the way and plan an office handles its collections not only determines its growth and success but also in a measure influences legislation and either builds or tears down the good will and favorable respect that we desire and must have in every community.

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INDUSTRIAL LENDERS NEWS

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OHIO.

The sixth annual convention of The Ohio Loan Association, like all of the meetings of this association, was, to put it most mildly, a "hummer."

Hearing that the Canadian soldiers had most of the reservations at Cedar Point, we decided to hold the convention at Cleveland, and we were most hospitably entertained at the beautiful Hotel Cleveland.

The convention was well attended this year, and many new faces were seen, and a great spirit of willingness to take part in the deliberations of the sessions was manifest.

So many sparkling gems of literature were enjoyed by those present that it would be difficult indeed to select any one paper that stood out as the most brilliant, however, all agreed that the address of Judge Manuel Levine, who is the presiding judge of the Court of Common Pleas of Cuyahoga County, Ohio, was one of the most inspiring of the entire two days, and he left with us some thoughts that furnished food for more thoughts after the convention. He is one of that rare type of speakers who does not carry his subject too far. Judge Dillon, late of the Franklin County Common Pleas Court, and who was one of our most beloved instructors in law at the Ohio State University, used to tell us that the human mind delights in its own discoveries, and herein lies the charm of Judge Levine as a speaker, he leads you up to the subject, then goes just far enough to show you the way, and you delight in pursuing the subject further in your own way.

Stenographic notes were made of his address, and although I have made every effort to have the corrected copy of the address for this issue of the NEWS, have been unable to do so, but it will be forthcoming, and we hope to have additional copies of the NEWS for distribution.

The Managers Session was a ten strike. Put that in your next convention, we have no copyright or patent thereon, and freely pass the idea on to you. The way the boys behind the guns went at it was the equivalent to showing what a real convention sounded like.

They argued and discussed, all in good humor, and they drove their points home, and they got real good out of it, and so did the owners who listened to them.

C. C. Woodley, of Toledo, Ohio, was selected as Vice Chairman from Ohio in the A. A. The same officers were selected for the ensuing fiscal year, and Cedar Point was chosen for the next annual convention.

J. FRED ANDERSON, *Secretary.*

BUILDING A LOAN BALANCE.

By E. E. Beyer, Cincinnati Collateral Loan Co., Cincinnati, Ohio.

Courtesy and service are the main things. In all the large cities we have competition, the same as any other line of business, and where the other business can talk quality, design and price we have only service to sell.

With this service must come courtesy.

We spend quite a sum every year for advertising to get new customers. Then we should make these new customers feel at home. Many worthy deserving folks hesitate about coming to the office, afraid they would not be treated right. When customers and applicants tell of the kindly treatment they received by the manager and employees it is our best advertisement.

Among our clients we have most every class, and they can all be approached by courtesy. Among other things that help increase loan balances are these:

Everyone in the office having a cheerful disposition.

Always saying—"Thank you."

Getting the good will of everyone who comes to the office.

Speaking kindly to the children.

Being patient with those not familiar with business.

Not to argue or contradict even if you know you are right. Show the customer where he is wrong and then say no more about it.

Make all the loans you can. If you advertise and create a demand for loans don't neglect to make them. If in doubt about a loan make it, for it is better to make a poor loan occasionally than to lose several good ones.

If you get an application from a former client who failed to meet his obligation just as he should and you know could have on the former deal, give him another chance, telling him he is establishing his credit with you and urge him to do better and he will.

Many applications do we receive from parties who tell us their goods are free from any debt and we find they owe either an installment house or one of our competitors. Instead of gruffly telling them not to try to get money on something which is not their property, we tell them in a nice way that on account of them owing on the goods we cannot at present make them a loan, but if it is paid off or paid down or if in the future we are able to help them we will gladly do what we can for them.

They tell others that we treated them kindly, and the result is, we get applications through them.

We have all kinds of people to deal with and we should be ever careful not to mention names of our customers to our friends, or family, as that is one thing no man likes, having his affairs talked about by others.

So if we wish to build a loan balance we must be "optimists." We must see only the best in every person and take the most hopeful view of everything.

Sometimes we both hope and pray when we make a loan, and that always makes it a good loan, especially if we watch our collections, and see that our client either pays or lets us hear from him promptly when his first payment is due.

Our business being legalized, we can convince him that it is his duty to take care of his account and we only have to use a little reasoning and judgment.

NATIONAL CONVENTION.

Space last month was limited, so the Editor could not explain the reason for the change in the National Convention dates from those originally set to September 27, 28, 29, Claypool Hotel, Indianapolis. The cause for the change is due to the fact that the national encampment of the G. A. R., which had formerly been scheduled to take place at Atlantic City this year, was changed to Indianapolis the same dates we formerly agreed upon. The executive committee decided to postpone our convention for a week to insure accommodations for all members who attend. Our Indiana hosts tell us a good time is waiting for us while we are not engaged with the consideration of our serious business. Mr. Member, after you read the eight pages of this paper, material for which was supplied by prominent Ohio and Indiana members, write the Claypool Hotel, Indianapolis, Indiana, for reservations. Most everybody will be there September 26 for the usual informal chat prior to the business session, which opens at 10 o'clock the next morning. We are promised addresses by men prominent in public life and we are preparing a program of subjects for discussion which are sure to interest every one. One feature of this convention is to be the encouragement of a general discussion on all the many interesting subjects suggested by members. Maybe there is some subject you who are reading this would like to know more about. If so, send it in to the National Secretary.

It is quite gratifying to note the promptness with which most members are paying their dues to the National Secretary. Every member can be in good standing for the convention if he chooses. Officers can do the best work when they are best supported. Send all dues for the "A. A." direct to the National Secretary.

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The National Council is composed of the National Officers, Vice-Chairmen, and Committee Chairmen.

OUR STATE ASSOCIATION.

Mr. Chairman and Gentlemen:—I am quite sure that it must be as apparent to you as it is to me that your program committee is running short of speakers when they are obliged to fall back on one of my calibre to address this intelligent audience. My position here before you reminds me of the atheist Irishman. When he died his friend Mike came to his wake, and when Mike looked into the casket and saw his old friend clothed in a cutaway suit, with a white collar around his neck and patent-leather shoes on his feet, he sighed and said, "Poor Pat, he believed in nather hiven nor hell, and here he is—all dressed up and no place to go."

Having no place to go, it remains for me to go on. That seems to be the trend of the times anyway, to go on. It is the carrying into action of that great watchword "Progress." What a wonderful thing Almighty God did when he made it impossible for us human beings to just stop, all of us, all at once and stand still; but compelled us by the animation in our beings to keep moving, keep on going, taking just one step after another—did you ever think of that? I want to tell you that I have never been more impressed, nor more forcibly made to feel the thrill and joy of living than when I read the utterance of the national chairman at one of the recent great political conventions. Standing before that vast body of men, he stated that he had come to render a report from his national committee, and he said, "Gentlemen, I report Progress." He should have stopped right there and made his name immortal.

Speaking for the Ohio Loan Association, I can report progress. You all know what we have done—it is not necessary for me to go into detail. As a group we have cleaned up one of the foulest and rottenest practices that was ever permitted to endure under the catagory of business. We, here in Ohio, set the pace—let's not be modest nor mealy-mouthed about that either, we were the ones that did it. We backed up our intelligence and real sentiment with our active support and material contribution. We wrote a Magna Charta for the borrowing public of the nation, and placed it before the people, and taught them to read it and understand it, and enjoy its protection and priveleges. The Lloyd Act deserves as sacred a place in the archives of this state as the Constitution itself. From the moment of its original draft, until the present time, this body of men has been its constant champion and sponsor, and the individuals comprising this body have given freely of their time and energy and money to maintain its validity and to hold it intact.

Gentlemen, I want to call your attention to the fact that we did this collectively. Not one of us individually is strong enough to have withstood the opposition which we collectively have been able to overcome. Organization has been our method of preparedness. The Ohio Loan Association drafted this law and defended it through the courts; and is now actively engaged in assisting to enforce its provisions and to apprehend its violators. And by our constant and alert attention to this law we have gained the recognition and confidence of the Securities Department and other state authorities.

As a body we have done much, and can continue to do more. I really feel that we have barely scratched the surface of our possibilities. For instance: Did you ever stop to think that every man in your community is a possible customer? Yet how many customers have you in any given precinct? Why haven't you more? Would or wouldn't you patronize a loan company if you were broke and needed the money? Is or isn't it worth $2.25 to get a cash loan of $75 for 30 days?....There are some things to think about.

Along another line: Who is going to represent your locality in the next legislature? Is he opposed to your business, and if so, does he understand it? Is he open to conviction? Are you alone able to convince him of the merit of your business? If so, how about the fellow from over in the next county? And the next? And so on for eighty-eight counties? Are you alone going to undertake to tabulate and educate the periodical representatives from all the political subdivisions of Ohio? If you are, Newton Baker needs you. You have too many bowels even for the loan business.

How about resources: We have all found as we go along that our business is gaining favor with the public and is increasing in volume. In banking, building and loan and industrial lending acts, provision has been made which keep such banks and institutions supplied with money by deposits. The Lloyd Act makes no such provision for its licensees. Don't you think that you are entitled, under proper safeguards and restrictions, to receive deposits from the public to be utilized in your business just as properly as banks and other institutions?

These are problems to be worked out by your state association, and there are new problems confronting us every step we take. Our state association must live on, it has lots of work to do. It must have the continued support of all present members, and additions to its ranks as fast as new licenses are issued.

All organizations of this kind, whether political, social, business or religious, depend upon willingness on the part of individuals to participate. We do not propose to use any blackhand or night-rider methods to swell our membership. Ours is purely a voluntary organization, which we believe is so necessary to all loan men that we intend to rely upon a clear presentation of our creed for ammunition; and hope that the dictates of their own conscience will compel all non-members to join, and stick after they have joined.

We are still a comparatively small organization, but I believe that we can give a good account of ourselves when the opportunity presents. It reminds me of a Texas story which I once heard. Down in that part of the country the citizens depended largely on the old-time rangers to police the territory. Upon one occasion a colored fellow had been made a prisoner, and a mob was storming the jail to lynch him. The sheriff quickly sent a messenger for a troop of rangers to come and help him defend his prisoner. One lone plainsman answered the summons. The sheriff threw up his hands in dispair, and said, "My God, only one lone ranger to help me." The ranger spat savagely, and replied, "Well, there's only one mob, isn't there?"

In closing, I hope you will excuse my lame efforts at verse, but the muse got to working on me and I could not resist the temptation.

We're assembled in convention, and we
want to make it snappy,
We have all enjoyed prosperity, and we
all feel well and happy;
But joy of life must not destroy our
sense of obligation.
We owe a debt of gratitude to our state
association.

We boast of all the good we do, our
patrons are the needy,
We pass them out the stuff they want
by methods short and speedy,
We issue checks both right and left,
without much hesitation,
But sad to say, we do neglect our state
association.

You may be a Republican, or just a
Democrat,
You may believe in this platform, or
like the looks of that,
But whatever your politics may be, you
have but one salvation,
Fill out a check and mail it to our state
association.

You're a great big man in business, the kind our country needs,
Your influence is potent in accomplishing vast deeds,
However great achievement falls short of realization,
Without a badge of membership in our state association.

If you want to reap the benefits which energy deserves,
Each one should always keep in mind, "He Profits Most Who Serves,"
But even this good motto is not worth a gol-darn-ation,
Unless you hitch your wagon to our state association.

You may enjoy the movie, or like to hear the band—
A Turkish bath may be your dish, they certainly are grand,
But if ever I am asked to name the finest recreation,
I'll say, "The Big Convention of Our State Association."

I hope each man here loves his home, his country, town and state,
I know you love your family, or you should at any rate,
We all love the dear old U. S. A., this proud and mighty nation,
But after her, most dear to me, is our state association.

"ADVERTISING."

By F. J. Schneider, Cleveland Household Loan Co., Cleveland, Ohio.

How many of us here fully realize the meaning of the word "Advertise?"

The dictionary defines it, "To give notice," "to inform," "to notify," "to warn," "to announce," "to proclaim," "to promulgate," "to publish." It follows then, that a proper advertisement is the epitome of this definition.

Many people have gained the impression through experience that advertising is a scheme to take away hard earned dollars without giving much, if any return. This impression can be blamed on both the advertiser and the man who takes his money—for advertising need not be made the costly proposition that many think it is.

Referring to our friend "Webster," we can "inform," "notify," "give notice" and "promulgate" without spending one cent. By this I mean that we can practice what is termed unconscious advertising. Every person connected with our various institutions should be a living advertisement not only of our individual offices, but of the business as a whole, for every word and act of every employee of our offices argues either for or against our concern. In other words, customers are influenced in their feeling towards the concern, and the good will of the concern is either enhanced or depreciated according to the manner in which customers are received and dealt with from the time they enter the office to make application until the last payment is paid, whether the business is transacted in the office or outside, by the manager, or one of the assistants.

The next step in connection with this subject, I think, is "the value of an inquiry." There are vast sums of money spent for advertising and considerable of this is wasted because the person who comes in contact with the prospect fails to take advantage of the opportunity thereby presented.

"Why Isn't Every Prospect Your Customer?" Because as yet he doesn't think it will pay him to deal with you. Your problem is to make him think so. The problem is one of manipulating the prospect's thoughts until he makes up his mind to make a deal with you. It is a mental problem.

A conservative advertiser takes many things into consideration before launching into a campaign. The most important of these is circulation.

Waste circulation eats the profits from advertising.

Advertising dollars are surely escaping without adequate returns when funds are appropriated to create a demand for loans, without equal care to educate the help in their selling talk.

In other words, it is poor business to spend money creating a demand for 100 loans and make only 50.

Unless we give proper care and attention to every inquiry that comes to our office, the cost of doing business will increase and an injustice is done the business as a whole, for the reason that, if the applicant is not properly received and his application given due consideration, he will have a bad impression not only of those with whom he comes in contact, but of all people in the business. I am sure that a great deal of the best business is lost because of our failure to place a proper value on an inquiry, and I believe in this connection, that at least 85 per cent. of all applications should be turned into loans.

A successful advertiser must exercise initiative and have the courage to carry out his plans. Our business is not unlike other lines, but I have often heard complaint made that it is hard to advertise in our business because we are unable to advertise "Bargain Sales," "Removal Sales," "Fire Sales," etc., but I will venture to say that we have just as much latitude, if not more, than other lines so far as advertising goes, but it requires thought to put these different phases of our business on paper in such a way that they will appeal to the man or woman who needs our services.

I think our best example as to what we can do in an advertising way is to glance at some of the bank ads these days and recall that fifteen or twenty years ago it was rare for a bank to resort to printer's ink except to have stationary printed, and now we can not turn around without being confronted with the advertisement of any number of banks, especially in our larger cities —and to remember that the latitude in operation of a bank is not much, if any, broader than our own. The banks made their field and are harvesting their reward. We can do likewise, but to do so we must enter upon our labors with the firm purpose of overcoming obstacles, and while just now advertising to loan money is in some cases superfluous; most of us have a $2.00 demand for every dollar we have. This condition, like all others, will not prevail indefinitely, and to quote a well worn phrase, "In time of peace prepare for war."

How many of us, I wonder, have the collection of the loan in mind at the time of making the deal? If we do not, we should all recognize the incontrovertible fact that "a well made loan is nine-tenths collected." How many of us who have not read ads, the language and wording of which seemed to have been expressed by a child or an illiterate. We do not have to be professors in grammar to properly express our thoughts, but it is worse than wasted ink and paper to use bad English in advertising. It certainly gives the reader a bad impression of our house, and bad first impressions are hard to overcome. I think it pays to have all advertising matter corrected by some one whom we think knows more about these things than we do ourselves.

To digress for a moment I might remark here that the proper use of English and a knowledge of advertising go hand in hand; on the contrary the lack of a knowledge of good grammar is one of the greatest faults in American business to-day; and one of the noblest of elevating influences that we can practice is the acquirement of a better use of our language. Not only will it give us a larger vocabulary and enable us to express ourselves in the fewest possible number of words, but it will tend to improve our carriage and manners, and as impoliteness is one of the besetting sins, anything which leads to our showing more consideration for our fellow man is bound to broaden our individual selves as well as our sphere of usefulness and is a step in the right direction.

At the prevailing rates charged by newspapers, that medium is rapidly becoming too expensive for our use on anything like a comprehensive scale; however, as long as we can consistently do so, I am in favor of maintaining a small newspaper ad at least for directory purposes.

I have found that one of the best mediums of advertising for new business is the house to house circularization. I have often had this statement questioned by managers who claim to have had poor results from this medium, but in every such case it has developed that the method followed was at fault and not the medium.

The method advocated here is to first get a good distributor and pay a sufficient wage—start him out in the morning with, say 1,000 circulars, and give him a list of the territory you desire covered for that day, itemizing your list by streets and blocks. In order to compile such a list you must, of course, be more or less familiar with your territory, but you can do a fair job by consulting a good city map. Tell your distributor to start as indicated and work till noon, to take one hour for lunch and quit at a certain time, and that you are not so particular as to how many he puts out as you are as to where he puts them. If he only distributes 300 or 400 well and good. If 500 or 700 so much the better, but you want them to go into the house or under the door or in the mail box. He returns to your office the next morning and you count how many he brings back. The territory he covered will be known as "Route 1" and copied in what we call a "Circular Route Book," noting how many circulars were distributed and the date it was done. Next morning he starts out from where he left off or where-

ever you want him to go and repeats the performance of the previous day—this is known as "Route 2." You keep on until you have made ten routes of selected territory. On the eleventh day he covers Route 1 again, and so on. On the twenty-first day he starts and covers the ten routes again, making three times in all. On the thirty-first day he starts and makes another set of ten routes and repeats on these as on the first ten. He does the same with another ten routes on the sixty-first day. At the end of this ninety day period you will have distributed, taking an average of 500 a day, 45,000 circulars at a cost of not over $300 for help, and $90 for circulars—say $400 in all, but you have placed your story in a home 45,000 times, or three different times in 15,000 homes. Who would be willing to say you can spend $400 in newspaper advertising in that period and bet that 15,000 different selected people would read your ad three different times. I venture to say that you would hesitate to wager that 100 persons would read it—and you do not get much newspaper advertising for $400 nowadays either; where with the circulars you can tell your entire story and know it goes into the house. I do not deny that some of these people you are soliciting will begin getting tired of seeing your ad on the third trip, but I will venture to say that after having your ad brought to their attention as frequently as herein outlined, they will, when they need a loan know right where to go for it. You can repeat this process after the first three months or you can enlarge on it, but you must stick to it, and do it right, and not get discouraged early in the game, and results will come, "Continual dropping of water wears away stone."

After you have your route book compiled, any new distributor can take up the work and do a good job. The principal thing required here is hard work, close application, and stick-to-itivness. Of course, it is a great deal easier to put a few lines in a newspaper than to go to all this trouble, but with this method you get results, and that is the difference.

The best medium I have found for soliciting old customers is the use of a monthly calendar appropriately inscribed. We have a mailing list of desirable former borrowers, and our advertising plans call for sending half of these a calendar each month.

I believe that once each year, and even better, twice each year, we should go over our accounts and charge to profit and loss all balances which seem uncollectable or unprofitable to collect. We may fool our ledgers by leaving dead loans on our books, but this is about all we do fool.

Operating on a basis of the average time of a loan at ten months, I have found that in order to maintain a healthy standard of collections we should collect each month practically 15 per cent. on the principal of the amount outstanding at the end of the previous month, and that when our collections are not up to this mark our business is not paying as it should, and to pay much more than this means we are crowding our collections too much. I have found that the percentage of delinquents, that is, accounts which make no payment during the month, should be not in excess of 5 per cent. of the amount outstanding at the end of the previous month—to have less than this is desirable—to have more means we are lax in our collections.

After a loan company is once established, I believe that we should endeavor to have at least 25 per cent. of the loans we make new ones in order to maintain our loan account.

I think it shows an unhealthy condition when at least 75 per cent. of our loans are not from former borrowers. It means we are not giving the service we should, else they would return to us in larger volumes, and as 25 per cent, of new loans will maintain a healthy condition and take care of wastage, etc., it follows that we are spending money uselessly when we are obliged to get more than that much new business, for our old customer loans cost us much less than new ones.

My contention is that advertising is the very life of our business and that we are advertising our business all of the time. Whether we are making a loan or collecting it, advertising should be the prime motive in deciding our methods of procedure. Consequently, to go back to my former statement that a well made loan is nine-tenths collected, we follow the practice of allowing the customer to set his own date for payment at the time the loan is made, taking into consideration his other obligations, then, if he fails on his due date, we wait two days before sending him a first notice. Three days later we send the second notice if he has not responded, and follow this with a third notice three days after that. These are all formal notices. If he fails to respond to these three, which is seldom the case, we send him a dictated letter taking into consideration the circumstances surrounding his deal.

When, as often happens, a customer requests and is granted a further extension of time from his due date and fails to make good, we write him a letter calling his attention to the promise and asking that he give the matter immediate care—and if necessary follow this up with a second or even a third letter. We always, if we are unable to get a response to those letters, endeavor to get our party by telephone either at home or at a neighbors, or where he works. (These telephone numbers are gotten when the loan is made and are carried as permanent records.) As a consequence of our method of handling delinquents as above described, personal calls and cost of collection on over due loans are reduced to a minimum, and we seldom have been obliged to resort to courts to make our collections.

It always has been, and is now my belief, that straight loans, that is, loans made for a long period of time without monthly payments or with only monthly payments of interest required, as well as loans of more than $300 should be discouraged. I believe that when a charge of 3 per cent. a month or thereabout is made on loans of more than $300, or when loans of as much as $300 are allowed to run for an indefinite time, trouble is bound to follow. The purpose of the laws regulating the small loan business is to permit a charge on loans of $300 and less of a sufficient amount to permit borrowers to repay their loan in small installments, and that it is not the intent of the law to afford the lender an opportunity to invest a large sum of money in large loans at an unusual rate of interest.

By G. C. Dunifon of the Shawnee Finance Co., Lima, Ohio.

Competition has its advantages and disadvantages, some one said "competition is the life of trade," which is true, it keeps one on the alert, it inspires you and helps you to broaden your ideas and methods of doing business.

Your competitor, if he will coöperate, will be of great help to you, in giving you information he may have or obtain about your customers and in shifting accounts, back and forth—this will often make a good customer out of a slow one.

But do not get over anxious for business, or you will overreach your mark, you will try to beat the other fellow, and by doing so he will unload the bad ones.

In competing your methods should always be open and above board, honest straightforward advertising, easy to read and understand, rather than statements or promises that are confusing and can not be fulfilled.

Never speak ill of your competitor at any time, if you have an applicant who has a loan with another company, accept the application and make the loan in the usual manner, and say nothing about your competitor.

But do not personally solicit the other man's customers, as a rule he will make a bad one.

And do not grieve or get angry because one of your best loans is taken by the competitor, that will often occur, and nine times out of ten he will be back with you at some time or other.

But do not write him that he has made a mistake and that you will cut the rate if he will return, but instead, thank him for past favor and extend a cordial invitation to return.

By T. P. Carrol of The Akron Finance Co.

To preface this brief paper on the subject of collection, I wish to express to our esteemed chairman my deep appreciation for bestowing upon me this honor whether it was accidental or that he thought I was fully capable of telling you managers in this convention just how to handle our business without loss. I am presuming the latter to be the case and am going to see him privately after meeting. Ever since the loaning of money became a business, losses have been incurred by those therein engaged and for the same length of time some method to eliminate these losses have been sought in vain until the writing of this paper.

This panacea was suggested to me some few days ago by a cartoon of Bud Fisher's, who had Mutt growing potatoes. He was over run with potato bugs and was very desirous of getting rid of them. He saw an advertisement in the paper where he could get a recipe that would entirely do away with the potato bug. When he received it he was advised that to do away with

potato bugs stop raising potatoes and starve them.

A parallel of this can be applied to our own business—if we want to stop losses entirely, stop loaning, but as a majority of those engaged will continue and new business will enter this field, we so engaged must give the collection of money loaned the serious consideration it merits at all times, as it is the life's blood of the business and from which we extract its full measure of profit. Really every manager has his own idea how to handle his collections and it is well that he does, because what would work well in one locality or instance would be a failure in another, but there is one time in all transaction where collection must be given special attention by every manager or person who makes a loan and that is when the loan is being considered. Many times the trouble experienced in making collection could have been eliminated had this been done. We managers are more apt to be lax on this point when business is slow, as most managers would rather have an increased delinquent list than increasing idle capital. Of course, I mean desirable delinquents not dead beats, and it is the latter that is liable to be taken on at that time. The consideration I am referring to is composed of many factors, the principle one being the borrower's ability to pay. There are many accounts that are dangerously delinquent because the proper force is not employed to make him pay when our own better judgment says get your payment we will find this condition existing where people are living extravagantly and trying to maintain a position they cannot afford and if given too much leniency would term what might be a good loan with a bad one.

As above stated, a man's ability to pay is an important factor in the method of collection. Where he finds difficulty in meeting the payments contracted for—in asking for the first deferment of the payment this should be found out and if so the amount of payment should be reduced to an amount he can meet, in doing this you can show him that you are helping him and will teach him the habit of paying regularly. In cases where you are sure that it is impossible to make payments I find it a good policy to impress upon your customer that he is being extended a special courtesy in extending the payment upon payment of interest due, to some future date prior to his next regular payment. The purpose of this is to avoid a skip of payment if possible.

In the collection of chronic delinquency no set rule will work successfully, but I do find that the old time bluff and strong arm method do not work successfully. The matter should be taken up by the manager personally, in your office, if possible, in event you cannot get him in go see him or her as the case may be and in firm but courteous language insist on payment or readjustment of conditions or you will force the issue. I am presuming you have a mortgage properly filed or salary assignment that is valid and after a reasonable time that in good judgment his condition warrants payment or compliance with your ultimatum he does not make good, then do exactly what you promised him and from experience I find them very ready to help themselves when they see you mean business.

Collections on salary assignments is the best method of forcing payment, but should only be used when you are sure you will have to use force to get payment, as too frequent use of this instrument may get employers to feel they are being used as a collection agency, and to refuse to accept them unless forced to and that action would be expensive and slow. Skip accounts is where collection stands out in its importance. I think you will all agree that when an account gets out of the country or state it is invariably a hard proposition to collect from your office and my experiences with this class has conceived an idea which I suggest as a help to make collection more sure and easier and avoid delay that would be caused by correspondence. My suggestion is that when an account skips to another city outside of reasonable reach of your office and there is a member of this association located there or is doing business in the city or locality the skip is located in that office should take up the account and pay off the loan to the office from which the skip came from and have that company or individual guarantee the amount taken up in writing in a form to be endorsed by the association which would be binding.

I am sure that this method would put more pep into collection of accounts by having the account as your own business and not in the shape of collection for another office it would also give the revenues for collection and in event of non-collection would not incur any loss to the collecting office.

The locating of skip accounts is a problem of vital importance to all managers and some method should be adopted that would tend to facilitate location and suggest toward arriving a method that would at least help if properly carried. That a bulletin be compiled by the State Secretary for the report of skips sent in by each manager who in turn would send same to the National Secretary, who would send a copy of this list to all members. In this way skips who apply to members in or out of the state would be spotted immediately. Also each member receiving this list could examine chattel mortgage records or the lists of credit association for these names and if found identification could be easily established and I think if something of this kind was adopted and honest effort given toward its purpose many a skip that is as good as lost would be located.

And in conclusion, the success of all collections can be summed up in two words, good judgment and lots of pep.

THE EFFECT OF SHORTER HOURS AND SATURDAY NOON CLOSING.

By W. K. Waltman, Manager The Springfield Collateral Loan Co., Springfield, Ohio.

The effect of shorter hours and Saturday closing can have its effect upon the following:

The business, and upon the manager and employees of the business.

First as to the effect upon the business:

Times have very materially changed in the last ten years. There is everywhere manifested a tendency toward shorter hours, and more concentrated and strenuous effort during working hours. I think that in many instances this is to be deplored, because it gets too far away from the instruction as written by Moses upon the twelve tables of stone, and we are likely to loose sight of the second portion of the commandment, "Six days shalt thou labor and do all thy work." The fact is, as I believe, that in many lines of endeavor, the short hour proposition has been very much overdone, and especially so in view of the fact as the world is now in a very depleted state after four years of devastation, we need greater production and greater attention to production.

The business of loaning money upon chattels and pledges is constantly aiming at a higher plane, and I am one who believes that shorter hours will assist us in moving in that direction. I think it will lend a certain dignity to the business that it very much needs, and will tend to place us where we properly belong in the line of a recognized financial institution. There is no reason why a loan office should be open from sun up to sun down, thus having the appearance of what we are sometimes called....looking for whom we can devour, and there is no reason why the business that is to be transacted in the office cannot be confined to certain definite fixed hours, not necessarily as short as banking hours however, but reasonably short hours, I would say 8 a. m. to 4 p. m., or 8:30 a. m. to 4:30 p. m., a time that would not inconvenience a borrower in securing a loan or making his remittance. The public will soon learn what the hours are and will govern themselves accordingly.

Just recently we began closing our office at 6 o'clock on Saturday evenings, formerly we had kept open till 9 o'clock, and between the hours of 6 and 9 o'clock all we did was to warm chairs and burn electricity while our customers were attending picture theaters and other places of entertainment. After a few years of this we conceived the idea that we were making boobs of ourselves by following old fogy methods, and marked our slate to read close at 6 o'clock, after a month's notice to our customers, which has not inconvenienced a single one.

We do as much business now as when we kept open till 9 o'clock, thus allowing three hours of recreation to the office force, which is greatly appreciated, instead of spending those three long hours of almost solitary confinement waiting for something that did not come.

As to the effect upon the manager and the help:

All work and no play, makes Jack a dull boy, and this is true of the assistants in a loan office. I believe that shorter hours will tend to produce better attention, more snappy work, greater efficiency, and general good results. Again, if the manager and help take the right sort of interest in their work they do not watch the clock, but will use the other time to look after outside work that is of importance to the institution. As to Saturday noon closing, we have never tried that in Springfield, and hence I cannot give any effects

thereof. The advisability of such a move would, in my opinion, depend upon the hours for Saturday as observed by the commercial banks in the same city. In our city the banks observe the same closing hours on Saturdays as any other day of the week, and for that reason we have never felt that such a move would be advisable. Within reasonable bounds therefore, I am in favor of shorter hours.

CONVENTION OF REMEDIAL LOAN ASSOCIATIONS.

The twelfth annual convention of the National Federation of Remedial Loan Associations was held at the Robert Treat Hotel in Newark, N. J., June 17 to 19, inclusive. The following member organizations were represented: Collateral Loan Co., Boston, Mass., Thos. J. Reid; St. Bartholomew's Loan Association, New York, J. R. Ferguson; The Provident Loan Society of New York, Arthur H. Ham and R. Cornelius Raby; Worcester Collateral Loan Association, Worcester, Mass., J. W. Litchfield; Workingmen's Loan Association, Providence, R. I., Chas. F. Bigelow; First State Pawner's Society, Chicago, Samuel Wolfort; Newark Provident Loan Association, Newark, N. J., Wm. F. Davis; Provident Loan Society of Detroit, Mich., John E. Ryan; People's Provident Association, Louisville, Ky., R. M. Rutherford; Remedial Provident Loan Association, Paterson, N. J., F. X. Meegan; People's Loan Co., Portland, Me., Wilson D. Clark; Chattel Loan Society of New York, George H. Loh; Provident Loan Society, St. Paul, Minn., D. S. Coffey; Utica Provident Loan Association, Utica, N. Y., Geo. E. Upson; San Francisco Remedial Loan Association, San Francisco, Cal., Albert C. Auger; Provident Loan Society, Rochester, N. Y., F. A. Phillips; Onondaga Provident Loan Association, Syracuse, N. Y., Erasmus Pellenz; Duluth Remedial Loan Association, Duluth, Minn., H. A. Berg; Lynn Remedial Loan Society, Lynn, Mass., Arthur J. Northrup; Provident Collateral Loan Company, Dayton, O., H. S. Miller; Provident Loan Society, Omaha, Neb., W. E. Palmatier.

Frank H. Pope, Supervisor of Loan Agencies for the State of Massachusetts, was also present by invitation.

The Russell Sage Foundation Division of Remedial Loans was represented by its Acting Director, Walter S. Hilborn, who addressed the convention, briefly reviewing the progress of the uniform small loan law. Mr. Hilborn attributed the defeat of the uniform law in Kentucky primarily to the covert opposition of the high rate lenders, and in part to the impression which seems to have existed in the minds of legislators that the uniform bill was offered for enactment solely in the interests of the money lenders. The operation of the law in those states where it had been enacted, he said, was highly satisfactory.

Considerable discussion was aroused by a paper contributed by Albert C. Auger, Manager of the San Francisco Remedial Loan Association, on the subject of interest and dividend rates. The principal question at issue was whether the members of the Federation, which are all pledged to limit their dividend rates to a reasonable return in accordance with the investment standards of the community in which they operate, might consistently raise their dividend rates in view of the increasing liberality of other investment offerings and the consequent difficulty of atttracting capital at a limited yield for social service needs. Mr. Auger pointed out that an increase in dividend rates would in most cases necessitate an increase in interest rates; that the influence and achievements of the Federation's members in the work of protecting the small borrower against extortionate interest rates were due primarily to their policy of limiting dividend rates, and that a departure from this policy might impair their prestige and discount their usefulness for the future. In his opinion, therefore, the members of the Federation should not raise their dividend rates except when it is absolutely necessary in order to procure funds to carry on the business. Mr. Auger's contention was met with the argument that what was a reasonable return when the Federation was organized in 1909 is not a reasonable return now. A number of delegates testified to the difficulty which they had recently experienced in attempting to procure capital at 6 per cent.

"The New Borrower" was discussed in a paper by Charles F. Bigelow, Manager of the Workingmen's Loan Association of Providence, R. I. Mr. Bigelow dwelt upon the changed economic conditions which have brought to the wage earners, who were formerly the heaviest borrowers, comparative prosperity, in which the salaried class has not as a rule participated. These changes have created a new type of borrower, represented by the salaried man whose income has not kept pace with the increased cost of living. His requirements average somewhat higher, and he offers a better grade and greater variety of security than the borrower of old. The loan companies consequently have had to acquire a wider knowledge of values in order to appraise the security offered.

The second day's session was enlivened by a discussion introduced by D. S. Coffey, Manager of the Provident Loan Society of St. Paul, on "Prohibition and Borrowing." Mr. Coffey had previously written to various loaning societies asking for an expression of opinion as to the effect of prohibition on the loaning business. Although the answers did not show complete unanimity of views, it seemed to be the consensus of opinion that mutual benefit to borrowers and lenders had resulted from prohibition. Collections are easier and relations with customers more pleasant than formerly. Some complained that proper enforcement of prohibition was lacking. What effect, if any, prohibition has had on the demand for loans, proved a more difficult question to approach. The theory was advanced, however, that prohibition had lent a stimulus to borrowing because it had imbued men who were formerly of intemperate and shiftless habits, with a greater self-respect and ambition, leading them to take steps for the improvement of their domestic or business circumstances which called for a temporary loan. It was apparent from the warmth of the discussion that the delegates found it difficult to weigh this subject entirely detached from their personal views on the merits of prohibition itself.

Mr. Phillips, Manager of the Provident Loan Society, of Rochester, N. Y., recommended the adoption of a uniform pledge bill for enactment in all the states. Mr. Phillips commented upon the good results accomplished through the extension of the uniform small loan law. As pawnbrokers are exempt from the operation of this law, there is a genuine need for similar remedial legislation looking to the uniform regulation of the pawnbroking business throughout the United States. One of the chief difficulties in the way of securing such legislation, Mr. Phillips said, lay in the widely divergent conditions under which the business was conducted in different parts of the country. A law which might work perfectly in one section might be wholly impracticable in another. At the close of the discussion a resolution introduced by Mr Phillips was adopted, committing the Federation in favor of an investigation of the pawnbroking business throughout the United States with a view to perfecting and presenting to a future convention a uniform pledge bill.

Some problems of the pawning society formed the subject of a paper read by R. Cornelius Raby of The Provident Loan Society of New York. Mr. Raby spoke chiefly of the complications sometimes arising through the loss or assignment of pawn tickets and from disputes involving the ownership of pledged collateral. He also described some of the methods employed by The Provident Loan Society of New York in handling such situations.

The officers of the Federation were all reëlected, as follows: Arthur H. Ham, Chairman; D. S. Coffey, Vice-Chairman; John E. Ryan, Secretary-Treasurer. The Chairman reappointed the same Executive Committee, comprising the following: Arthur H. Ham, D. S. Coffey, John E. Ryan, *ex-officio;* Chas. F. Bigelow, Wm. F. Davis, Ralph C. Glidden, R. M. Rutherford, George E. Upson, A. L. Whitmer. R. Cornelius Raby was designated as counsel for the Federation.

PLAYING THE GAME.

By B. C. Forbes, *in Forbes Magazine, New York.*

Business is as much a game as golf or baseball or football.

Life itself is aptly likened to a game.

To win, to earn and enjoy the fruits of victory, you must play fair.

A cup or medal or other trophy is not the real prize the victor receives; the real prize, the real reward, is the satisfaction derived from superior, worthy achievement.

Wealth is not the real prize of life, it is only a trophy, a symbol, and may carry with it no satisfaction; indeed it does *not* carry with it genuine, lasting satisfaction unless it has been won fairly, honestly, honorably.

The more I see of rich men and the closer my insight into the workings of their minds and hearts, the more strongly convinced do I become that great wealth is no passport to happiness nor proof of true success.

It is an old truth, but it needs preaching every sunrise, so many do not know it, or, knowing it, do not heed it. If

they could only be made to understand, if they could only see things in their true colors, if they could only peer into the hearts of many millionaires, they would order their lives more rationally and enjoy life more thoroughly.

To win out you must play the game every time.

"Look at So-and-So; he has everything he wants, yet everybody knows that he made his money by shady practices," you may reply.

Don't fool yourself that So-and-So has everything he wants. Do you imagine that he doesn't know how you and other people regard him? And do not think for a moment that he enjoys being looked at askance, or that he wouldn't exchange most of his ill-gotten gains to stand high with you and other people—and to stand high with himself.

There have been wholesale efforts to reap more than has been sown, to get more than has been earned, to tilt the scales unduly.

Sooner or later the profiteers and labor slackers will get their just reward.

The call is for the fellows who can be depended upon, under any and all circumstances, to play the game.

The things that count are the things that last. Playing the game lasts.

STANDARDS OF MEASUREMENT.

H. H. Burrell, South Bend, Indiana.

As dealers in money it has been my observation, in more than twenty years' experience, that the public usually measures loan companies by three standards—advertising, service, and moral principles.

Advertising comes first because you cannot expect to render a service in any calling until after you have placed the business on the books. And getting business nowadays is essentially an advertising proposition, providing you are selling an article that has merit to it. To prove this, just discontinue your advertising entirely and in a short time you will be convinced of the truth of the old adage, "out of sight out of mind."

It is therefore readily seen that the first information, or first impression, that the public gets of our business is from the character of our publicity, or advertising.

The newspaper is without doubt the greatest single force in the commercial world to-day. Every vocation depends on it, either directly or indirectly, to inform the people of what it has for sale. And when we realize that each and every paper sold is read by at least three different people it certainly behooves every industrial loan company in the country to keep in mind the character of its daily message to the public—the non-borrower as well as the prospective borrower.

Our advertising will be read by people in all walks of life. By many who will never become our patrons, but who sometimes may have occasion to say good or evil of our business. And their statement will probably be based very much on the impression they get from our "ad" in the paper. Regardless of the personal popularity of the manager and employees in the community, which is a big asset to any loan company, the business in general is, more or less, measured by the quality of our advertising.

It does not pay to bank too heavily on the prestige the manager and employees may have in the community. These come and go, but your business stays. And the public, in expressing its opinion, usually refers to the business and not to any particular man engaged in it.

The newspaper comes into the home at the psychological hour of the day. It comes either in the morning before the stress of the day begins, or it comes in the evening after it is over. In either case the mind of the reader is at ease. He is in a receptive mood. Here is where you get a good once-over measurement. He knows nothing about how well you may be equipped for the proper transaction of a private business. He knows nothing about the courteous treatment he will get from your employees. And what is more he may never get inside of your office to learn all this. But just the same he has formed his opinion of your business by the import of your message in the paper. Until he learns more he has taken your measurement, and he took it by the only standard, or yardstick, he had access to at the time—the character of your advertising.

If your "ad" is directed more at what you imagine are the evils of your competitor, than at the benefit the borrower will derive by availing himself of your proposition, it is very apt to be ineffective, besides leaving a bad impression on the business in general.

In newspaper advertising it is best for our business to adopt the method of the banks—say nothing about your competitor, but try to show the prospective borrower the advantage he will gain by placing his business with your company. A professional advertising man has said, "So word your advertising that the reader will never think you have a competitor on earth." In other words never refer to him.

Advertising "Christmas money" is a mighty good way to create unfavorable sentiment against our business. For loan companies to advertise, along in December, that "The only way to enjoy a happy Christmas is to use some of our money," or words to that effect, is saying the wrong thing in the wrong place. It should be confined to circular letters. "Christmas money" advertising in the newspapers appeals only to the submerged tenth—the very kind of people you should not want on your books. Assuming that you secure some of these kind of people by your "Christmas money" appeal, your loan is very likely to be discovered by the charitable and civic societies who are usually looking after this class right at the very season when you are soliciting their business. When these societies learn, which they often do, that these poor people for whom they are providing charity are carrying a loan on their furniture they at once place the blame on the loan companies for using the Christmas spirit to secure business. Our business has thus been unfavorably measured when a little tact would have prevented it. We have a legitimate right to advise, through the newspapers, early shopping and to do it with our money. The public will place the right interpretation on this kind of an "ad." But it does not pay to spread this "Happy-Christmas-with-our-money" sentiment too thick. It reflects on the business.

We now come to the circular letter and folder and their effect in moulding public opinion of our business. An advertising expert has called the circular letter the "legitimate gum-shoe method of getting business." With the circular letter you pick your prospect. You may already know him to a certain extent. More than likely he has been in your office previously and gotten your terms. In explaining to the public the benefits of industrial loan companies you can do it so much better in a letter, or folder, than you can in the newspapers. You can go more into detail, and that is what you must do when comparing our plan of loans with that of other financial institutions. The circular letter has the psychological effect that any piece of mail has—the recipient knows at once that someone has given him a thought, and it is usually read at once. If you have any competitors whose system and methods you think need an airing to the public, the circular letter is the very medium to use. And it is strictly legitimate, too, for this purpose. Much more so than the newspaper. If the recipient of your letter is a former customer he will probably measure you by his former dealings. And if he has dealt elsewhere in the meantime he is very likely to measure your service by that of others. If your letter goes to a new name, one, we will say, from the city directory, you want to be sure of your composition, quality of stationery, printing, etc. You may think these do not count for much but they are standards of measurement in spite of anything you can do. Perhaps the letter is all the world he has (aside from your newspaper "ad") to measure you by until he gets inside of your office and talks to you. If you enclose a folder with your letter it should be artistic both in design and printing—something that appeals to their æsthetic taste, something to which the biggest bank in the city would not be ashamed to attach its name.

As to posters or handbills which are distributed from door to door, I will not consider here at all. It is assumed that we are all above that inefficient method of advertising. It is a reflection on any loan company that resorts to it. The distributor usually leaves from two to a dozen bills at each door, besides a few in the sewer. This enables him to get the job done quicker. And after the tired and aggravated wife or servant sweeps this stuff from the door and lawn she is not in a very favorable frame of mind to consider your business much more dignified than your method of advertising. Uncle Sam will deliver your message in a more up-to-date way and at less cost.

Finally, our methods of advertising, or publicity, should always be beyond question. This done, we do not want to forget that all this can only bring the prospective borrower to our door. From here on *service* counts.

All that he sees, and all that you do and say comes under the head of service. Here is where appearances are valuable. Here is where you have a chance to eliminate from his mind all the accumulated years of prejudice he may have stored up against the business.

It is human nature to want to see what is considered by everyone to be the nicest place of its kind in the city. We are all alike in this respect. We see this demonstrated in department stores, in theatres, churches, banks, hotels, etc. No matter what your business may be, one of the best reputations you can have is to have it said that *yours* is the nicest place of its kind in the community. People like to be seen going into the nicest places of business the city affords. Take the banks, for instance: a big percentage of people, especially in the cities, seldom stop to consider the solidity of the bank in which they desire to open an account. They are usually attracted by the building, the furniture and fixtures, and the personnel of the employees. Bank employees come and go, but the directors and the architect usually foresee the psychology of appearances and build accordingly. It is the same in our business. It pays to have nice quarters. Yet there are people to-day who when they think of loan companies think of a dark and dingy room at the far end of a second or third floor hallway. This idea of loan companies is a relic of the younger days of the business, which, we are glad to observe, is now a thing of the past.

When there is no elevator service in the building, a dark stairway is a powerful argument against the loan business, and it gets in its work before the inside of the office has a chance to offset it. The landlord is responsible for the building, but the interior of our place of business is up to us. A good rule for any company to adopt is to invest about ten per cent. of its capital in furniture and fixtures, and then to follow the policy of the more successful stores and banks by replacing the old with the new about every ten or fifteen years. It's that immutable law of change. Customers get tired of seeing the same old equipment month after month, regardless of any special terms you may make them.

Again, service in our business does not consist in keeping long hours. Grocery store hours are a reflection on the loan business. For us to be seen in our place of business from early morning until late evening invariably calls for some sarcastic remark from the passing public.

However, the hours most companies keep give us a chance to introduce a new service that appeals strongly to our customers, and to that part of the business public which is located in the immediate vicinity of your office. This service is that of cashing pay-checks for patrons, and supplying change for people after banking hours, and on Saturday afternoon when the banks observe this as a half-holiday. This service has been tried out and found highly profitable in more ways than one. It brings certain business men into your office who otherwise would not likely get in. It also keeps you in touch with your former customers, and when they need another loan you are very sure to get their business. You must, however, use the same precaution as regular banks of deposit use, that of requiring identification of strangers. By service of this kind you play the part of a small bank (with the exception of receiving deposits) for a class of people who can not get down town during regular banking hours.

Service in our business also covers a multitude of sins and virtues. We are licensed to loan any one person a certain amount of money, but there is an unwritten law against bending down the shoulders of the borrower with a financial burden he can not carry without extreme sacrifice. One of the best services we can render society is to not overload the borrower in order to get more interest from him simply because he has the security. It is better to pay more attention to his earning ability than to the valuation of his security. Plenty of applicants have the security for a $300.00 loan but not the earning ability to successfully carry one-third of this amount. A loan all out of proportion to the borrower's ability to keep up his payments simply causes discontent, discouragement, and a desire on his part to throw up the sponge and cuss the business in general. If he asks for $50.00 and his security foots up $200.00 it does not license you to encourage him to take three or four times the amount he asked for. This done, notwithstanding the fact that we are within the law, we have failed to render this man a service. And in this business we *must* render society a beneficial service.

The last standard of measurement, as applied to our business is moral principles. This covers the big and little things pertaining to the loan business. The things that we, in a mad rush for profits, may easily overlook but the public—never.

Moral principles (possibly there is a better name) are the things that uplift and dignify our business. They also tend to eliminate prejudice as much as anything else.

For instance: It does not speak well for the loan business for any company to be seen keeping open on legal holidays. Especially on those days which usually bring out a crowd of people. While it may not be absolutely necessary for us to observe the days as strictly as the banks do, yet we should never be seen about our place of business on any day on which the leading business houses are closed. To open our doors for business when most other lines are closed invariably calls for some unkind criticism from the passing crowd. Keeping open when all other concerns are closed exemplifies the spirit of the spider waiting for the casual fly.

It would speak volumes for the loan business in a moral way if all companies in every State would follow the custom of the banks and close their doors on every legal holiday on the calendar. A sign on your door stating you are closed because it is a legal holiday tends to make the public think just a little more of your business. Being closed, they place you where you belong—with the banks.

As to employees half-holiday, this should be governed by local conditions. This half-holiday during the summer months is good psychology in any business as well as beneficial to the employees.

One of the best investments you can make for the good of the loan business is to join the local chamber of commerce, or commercial club. And where possible register your membership in the name of your company instead of that of some individual. The name of your company appearing in the printed roster of the organization is better than an individual name. People will remember the name of your company when they see it in print much longer than they will personal names. Besides, men come and go—your business stays.

Also, never refuse to donate to the local Y. M. C. A., charitable society, civic society and other similar institutions. Give to these in the name of your company and contribute every chance you get. It shows where you stand in the community in respect to these very necessary institutions, and you are so measured by the public.

Again, most financial institutions occasionally hand out to their patrons and others some little advertising novelty, souvenir, calendar, etc. Doubtless some imagine that anything like these with the company's name printed on it would not be readily accepted by your patrons. This is a mistake and it has been so demonstrated. You may think that people with a loan on their personal property would not want a calendar in their home with a loan company's name on it. Possibly some do cut out the art picture and throw away the calendar part, but not many. And even if they do they always remember where they got the calendar. These little novelties are usually passed out at that particular season of the year when banks, and others are giving their patrons some little remembrance. We should not forget that "that which we give away in this world is what we keep."

Another thing that comes under the head of moral principles is politeness and courtesy. This can be shown in many ways. For instance: In making out a receipt for payment, where the customer has forgotten his pass book, it is a very easy matter to write the word "thanks" down in one corner. And it is just as easy to write it on the back of a cancelled mortgage, too. It is presumed that you thank them by word of mouth anyhow, but words die in the air, are soon forgotten, or not heard at all. The written word is always there. Do not use a rubber stamp for this word "thanks." This commercializes it and kills it. Say it to their face, and then write it to boot.

These standards of measurement may not be all the rules by which the public gauges our business. There are, perhaps, many more. But these three—Advertising, Service, and Moral Principles—appear to me to have been used extensively. I have come in contact with them in the homes of the public while listing their security, and at their door when making collections. Also, in the private office and at the wicket window. I have seen them used on our business in friendly conversation in fraternal societies, club rooms, hotels, the front porch of my neighbors, and in the open-hearted society of friends and strangers in fishing and hunting camps, and I firmly believe that if this business is to be elevated from what it was to what it should be, it must be done from within. We are simply the lengthened shadow of the business in which we are all engaged. The State can regulate it to a certain extent by legislation, but it can not regulate the hearts of the men engaged in it. That is up to each and all.

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INDUSTRIAL LENDERS NEWS

Official Organ American Industrial Licensed Lenders Association Which Is a Member of the Chamber of Commerce of the U. S. A.

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LET'S GO.

Practically all details have been arranged for the big Sixth Annual Convention of the American Industrial Licensed Lenders Association, which will be held in the Claypool Hotel, Indianapolis, September 27 and 28 and 29. As this promises to be the best attended and most interesting convention that we have had since the organization was founded in 1916 in Philadelphia, it is everyone's duty to go. Headquarters will be opened in Room No. 846, which immediately adjoins the assembly room of the hotel, Sunday afternoon, September 26, when it is expected that most of the delegates will arrive.

National Chairman Stratton, of Sullivan, Indiana, who has been resting up for a while in Michigan for the coming political campaign, will be there to preside over all the meetings in his inimitable style. The mayor of Indianapolis will welcome the convention to the city. Robert Spencer, Jr., of the Grant Savings and Trust Company, of Marion, Indiana, chairman of the Indiana Association, will welcome the delegates on behalf of his State.

Following this, the officers of the organization, including the standing committee chairman, will read interesting reports for the past year's work.

After luncheon on the first day, a paper will be read by Walter S. Hilborn, Esq., acting director of the Division of Remedial Loans, Russell Sage Foundation, New York, on the result of his contact with the work the past year.

Rome T. Calendar, President of the Farmers' Trust and Savings Co., Marion, Ind., will read a paper, entitled "Will Fees Benefit Both Borrower and Lender?" This paper promises to bring up for discussion a most interesting topic.

Dr. C. G. Mueller, President of the Community Finance Service, Philadelphia, having severed his former connection, is now back in the organization and is as active as ever. He will read an up-to-the-minute paper on "Modern Scientific Efficiency as Applied to the Business of Industrial Banking."

A. L. Weinschenk, Manager of the Chicago Finance Co., whose "Outlook on Industrial Loan Conditions throughout the Country," was recently quoted in most of the metropolitan newspapers, has promised a paper on "The Evolution of the Industrial Loan Business in Illinois" that will leave no doubt in the minds of those who attend that conditions have been very materially improved in the last few years.

P. L. Alberse, Manager of the Protective Investment Co., Paterson, N. J., and H. T. Mattingly, Chairman of the Maryland Association, will read papers on the subject, "What Is a Fair Return on An Industrial Loan Investment?"

F. J. Schneider, Manager of the Cleveland Household Loan Co., will present his views on two subjects. One is, "Is $300.00 the Proper Limit for Industrial Loans?" and the other, "Should Loans Be Reduced Periodically or Renewed on Payment of Interest Only?"

Everyone is sure to be interested in what Charles R. Napier, Esq., of Chicago, has to say on the "Value of Membership in National, State and Local Business Men's Organizations."

John E. Ryan, Manager of the Provident Loan Society of Detroit, will read a paper on the Michigan situation.

The banquet Tuesday evening at 7 o'clock promises to outshine anything of the kind we have ever held at previous conventions. National Chairman Stratton will be the toastmaster. If you have ever heard him make one of his notable after dinner speeches, you can imagine what is in store for you. We are to have three guests at the banquet, all of whom will make addresses: Judge James E. Collins, of Indianapolis, who was responsible for the enactment of the uniform bill in Indiana in 1917, and Senator John Dailey, of Peoria, Ill., who was also active in the enactment of the uniform law in Illinois. Mr. Li Chung, Shanghai, China.

On the third day of the convention the meeting will be thrown open for general discussion on a number of interesting subjects in which all who attend will be invited to participate. These subjects will include everyday business problems as well as subjects of national importance. Some of the subjects suggested are as follows: How can the membership of the American Industrial Licensed Lenders Association be increased? Practical plans and methods of securing favorable legislation. Shall a charge me made for the collection of foreign accounts of members? How can our literature be distributed to educate the public? Federal income tax problems. Group life insurance for employees. How can we best promote the welfare, interests, scope and action of the American Industrial Licensed Lenders Association? Value of State reports to supervising officials. Outlook of industrial loan business. Book of endorsements.

Among the changes in the Constitution, the following suggestions have been made: The reduction of the Executive Committee from five to three. Collection of the dues direct from the members by the National Secretary instead of through State association officers. Making national membership obligatory for State association members instead of optional.

The Indiana Association has been quietly making plans for our entertainment for more than a month and they promise a number of agreeable surprises. They will not permit me to disclose their plans but they assure me the members and their wives and friends who attend are sure to leave Indianapolis with pleasant recollections.

If you have not already written for reservations at the hotel, we suggest that you do so at once. Questions of vital importance to you will be discussed and decided at this convention. No matter where you do business or how big you are, you are welcome and will get out of this convention more than it costs you to attend. Will you answer present when the roll call is taken?

GEORGIA.

Another State is to be benefited by the enactment of the Uniform Small Loan Law which was approved by the Georgia State legislature and signed by Governor Hugh M. Dorsey, August 17. The law aims to regulate the business of making loans of $300 or less, with or without security, under a license and the supervision of the State Banking Examiner. The license fee required is $100.00 per annum and a bond of $1,000.00 for the faithful compliance with the law. The rate permitted on loans is limited to three and one-half per cent. per month, to be computed on unpaid balances. Severe penalties are provided for any violations of the law. Deceptive advertising is also forbidden.

The law was amended by adding an additional section with respect to the assignment of wages as security for loans, which requires the lender to file the assignment five days after execution with the employer in order to make it valid.

The law was introduced at the suggestion of the Division of Remedial Loans, of the Russell Sage Foundation, New York, and was supported heartily by most of the public welfare organizations and many prominent individuals whose chief purpose was to correct existing conditions in Georgia. That the people of Georgia who have been compelled on account of lack of bank credit to resort to small loan agencies in the time of need, will be financially benefitted, there is no doubt. The administration of the law will mean thousands of dollars saved annually for the working classes who do not have bank facilities. The small loan business in Georgia will rise to the higher plane which is enjoyed in many of the other State whch have now had adequate legislation fo- some years.

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NATIONAL OFFICERS, 1919-1920.

Chairman, C. H. Stratton, Sullivan, Indiana.
Treasurer, J. H. Aufderheide, 860 Lemcke Annex, Indianapolis.
Secretary, G. W. Kehr, 204 Chestnut St., Harrisburg.

VICE-CHAIRMEN.

Conn.—A. S. Edwards, 42 Bank St., Waterbury.
Ill.—Albert Snite, 58 W. Washington St., Chicago.
Ind.—Robert Spencer, Jr., Grant Saving & Trust Co., Marion.
Iowa.—T. J. Harrison, 115½ E. 4th St., Waterloo.
Md.—H. T. Mattingly, 102½ Park Ave., Baltimore.
Mich.—F. E. Stroup, 507 Commercial Bank Bldg., Grand Rapids.
N. J.—J. W. Whitstone, Frost Bldg., Plainfield.
Ohio.—C. C. Woodley, 229 Spitzer Bldg., Toledo.
Pa.—E. P. East, 175 Fifth Ave., New York.
R. I.—W. G. Wood,, 268 Westminster St., Providence.
Va.—J. E. Edge, 202 N. 1st St., Richmond.
W. Va.—Wirt V. Hawkins, 301 Wheeling Bank & Trust Bldg., Wheeling.
Unorganized States.—R. M. Rutherford, 203 Coleman Bldg., Louisville, Ky.

COMMITTEES.

Chairman, Auditing, E. P. East, 175 Fifth Ave., New York.
Chairman, Finance, W. G. Wood, 268 Westminster St., Providence
Chairman, Law, F. R. Hubachek, Esq., 610 McKnight Bldg., Minneapolis.
Chairman, Legislation, R. M. Rutherford, 203 Coleman Bldg., Louisville.
Chairman, Membership, W. A. Zumpfe, 701 Odd Fellows' Bldg., Indianapolis.
Chairman, Publicity, A. V. Hart, 1020 Chestnut St., Philadelphia.

The National Council is composed of the National Officers, Vice-Chairmen, and Committee Chairmen.

INDIANA.

Here's how R. C. Aufderheide, Secretary of the Indiana Association, is boosting the Association Convention in Indianapolis, September 27, 28 and 29, at the Claypoole Hotel. We want to put this convention over *right*. We want the fellows from the other States to say that the Indiana loan men are *alive*.

Down here in Indianapolis we're making preparaions to entertain a big crowd. We must have a big crowd or otherwise the convention will be a frost.

We want Indiana to be here 100 per cent. strong. We're counting on every manager and owner being here. (Bring your wife with you, too.)

Be here! Don't let anything interfere. Drop your secretary a line and assure him that you will be here. We'll do our best to make this convention a success, but we want you to come and do yours.

It will be a long time before we shall be honored with the National Convention again. Let's do it right this time!

Bring the other loan men from your town with you. Not necessary to belong to either the American or Indiana Associations. Help us to put it over big!

Pursuant to a request of John Kraemer, Chief Examiner, Loan and Credit Department of the Auditor of State's Office, the Secretary has sent out the following questionnaire to all licensees:

1. Average loan account (including own capital and borrowed capital) ....
2. Total number of loans, June 1st ....
3. Number of loans of $25.00 and under ....
4. Number of loans from $25.00 to $50.00, inclusive ....
5. Number of loans from $50.00 to $100.00, inclusive ....
6. Number of loans above $100.00 ....
7. Number of foreclosure suits during the past year ....
8. Amount involved in foreclosure suits ....
9. Do you believe the law a good one? ....

PENNSYLVANIA.

A regular meeting of the Pennsylvania Association was held in the Gold Room, City Club, Philadelphia, at 1:30 on Friday, August 20, 1920.

The meeting was called to order by Chairman E. P. East.

The following were present: Messrs. East, Cropper, Mueller, Mohoney, Lyons, G. R. Lobb, Mitchell, Herron, R. F. East, Henderson, Ezekiel, Hart, Kehr, Moore, Gatter, Lewis, Watts, and E. C. Burton, Service Loan Company, 314 Crozer Building, Chester, Pa., as a visitor.

On order of the chair, the roll call was dispensed with.

Likewise the minutes were approved as distributed to the members, with the following omission ordered inserted: "The chair ordered Executive Committee Chairman Moss to act as chairman of committee to induce seventeen Pennsylvania members to take membership in the American I. L. L. Association."

Report of Officers.

The Chairman welcomed the members and visitors and spoke fittingly on the subject of "Association *vs.* Individuals," which was well received and will serve as an inspiration to each member.

The Treasurer reported on hand, August 19, 1920, $1,237.38.

The Secretary reported a membership of 66, of which 60 are in good standing as of July 1, 1920. Forty-five members are also members of the American Association; 39 in good standing as of August 1, 1920.

Reports of Committees.

Due to the absence of Executive Committee Chairman Moss, Dr. Mueller reported a meeting of the Philadelphia members of the committee with other members of that city, at which time consideration was given to newspaper articles appearing in the *North American*, *Public* and *Evening Ledger*, all relating to the effort being made by Philadelphia school teachers for an increase in salary and the necessity for borrowing money from lenders, and of the ways and means that were taken by the committee to combat any unfavorable result.

Chairman Hart, of the Entertainment Committee, reported progress.

Chairman Herron, of the Publicity Committee, reported progress.

No report was received from Chairman Moss of the American Association Membership Committee.

Chairman Kehr, of the Legislative Committee, reported the passing of the Uniform Law, allowing 3½ per cent. interest per month in Georgia.

Chairman Hart, of the Revision of Constitution Committee, reported progress.

Unfinished Business.

The Secretary reported a Treasury decision reversing the ruling of the Commissioner of Internal Revenue at Washington, that the taking of salary assignments for the lending of money made lenders liable for a special tax of one hundred dollars a year as a pawnbroker.

New Business.

On motion of Dr. Mueller, seconded by Mr. Kehr, the Secretary was instructed to read the names of delinquent members of the Pennsylvania Association at each regular meeting.

The following excerpt from a letter from Mr. Hubachek, Chairman of the Law Committee of the A. I. L. L. Association, relative to the opinion from the Pennsylvania Attorney-General's Office, to the effect that a licensee may not engage in the banking business, was ordered spread on the minutes by the Chair.

"Stripped of unnecessary and technical terms such as "trade acceptance," whatever that may mean, etc., the facts that he intends to set forth, as I understand them, are these: a merchant sells an article on the installment plan and takes from the customer some kind of a written promise to pay in installments; the merchant then sells this written promise, to a licensee, at a discount.

"I have no doubt that a licensee has no right, by virtue of his license, to do that sort of business; that is not loaning money; that is buying property; the Act of 1915 as amended regulates the business of loaning money and no other business.

"If a corporation were organized, for the express and only purpose of making loans under the Pennsylvania law, and its activities were limited by its charter to doing that thing, then the opinion is correct in saying that (such a corporation) a loan company would have no authority to engage in the purchase of paper.

But if a natural person, who has a right to engage in any kind of lawful business and may engage in as many businesses as he pleases, should hold a license under the Pennsylvania act, to loan money, while he could not under or by virtue of that license do the thing that the opinion speaks of, is there any reason why he could not do it outside of and not connected with said license, just as he might engage also in business as a tailor, or grocer, or carpenter or in all of them together?"

The Chair announced the appointment of Mr. L. R. Lloyd as an assistant to Mr. George H. Orth as Examiner for the State Banking Department. Mr. Orth continues with the Department but in a supervisory capacity. The Chair urged that each member extend the same hearty coöperative spirit of helpfulness to Mr. Lloyd that has characterized our contact with Mr. Orth, and reported that Mr. Lloyd had already indicated an open mind on the question of the lending of money in sums up to $300.

The Chair announced that Dr. Mueller had been asked to read a paper at the National Convention at Indianapolis, September 27, 28 and 29, and that Secretary Watts will respond for Pennsyl-

vania at the banquet. On motion of Mr. Ezekiel, seconded by Mr. Hart, each member attending the Convention will have delegate powers but will be expected to pay his own expense.

The Chair appointed Dr. C. G. Mueller, 700 Penn Square Building, Philadelphia, Pa., to take care of transportation reservations and hotel accommodation at the Indianapolis Convention. (Dr. Mueller has asked that if you intend attending the Convention, to immediately communicate with him, indicating the date on which you expect to leave the east, the class of hotel accommodation desired and the number that will be in your party. Please do this promptly so that if possible all delegates may travel together and be assured of satisfactory accommodations at the Convention.)

A report of the Educational Committee was made by Dr. Mueller, and on recommendation the plans were ordered turned over to the Legislative Committee for further consideration. The committee was ordered discharged. On motion of Mr. Hart, seconded by Dr. Mueller, Legislative Committee Chairman Kehr was authorized to appoint as many members on his committee as he deemed advisable.

The secretary reported promotion work being done by the Industrial Loan and Thrift Company in Harrisburg and the Community Savings and Loan Company in New Castle, and that small concerns where the lending of sums up to $300 would be but a part of the business of the company, had been opened in Allentown, Chester and Hazleton.

The Secretary announced that Messrs. Schroder and Watts had been elected by the Philadelphia lenders who are members of the Chamber of Commerce to serve as group member representatives in that organization.

The Chair called attention to the unwise use of referring to it being a violation of the State law to remove security mentioned in securities taken for the loan of money. The Banking Department recently had their attention directed to this feature being used by members on their payment or pass books. For further information write the Secretary.

Upon motion duly seconded the meeting adjourned, there appearing no further business to transact.

OHIO.

We regret that the name of T. R. Schoonover was inadvertently omitted as the author of that excellent paper, "Our Association," from our last issue, but we are pleased to be able to publish in full in this number the address of Judge Manuel Levine, delivered before Ohio Loan Association, July 9, 1920. The text follows:

"Gentlemen, I must confess that my first introduction to the gentlemen of your profession was in court. Now, don't misunderstand me: I did not meet them as defendants. I happened to meet Colonel Pond when I was connected with the court. Colonel Pond was interested in a decent, reasonable enforcement of law. So was I. A concord of interests brought us together, and we have been close friends ever since. I don't mind saying to you that when the Conciliation Court was established in Cleveland—the first in the United States—short-sighted persons objected. They thought it would affect their business; but Colonel Pond was far-sighted, and was in the fight to help establish it—the first man to utilize the instrumentality of that court, which is nothing more or less than common-sense procedure in the administration of justice.

"I may say to you that most men prefer fight. When you talk peace, it becomes very uninteresting. You can get folks to fight much quicker than you can establish peace. By way of illustration, when I presided in the Municipal Court, a $10 lawsuit came up. There were two lawyers on each side. You could immediately see the feeling that existed inside. It was not the $10.00 that concerned them, but the desire to beat the other fellow. I was rather amused. I saw two stenographers, and I know stenographers in Cleveland are expensive. I saw a multitude of witnesses, and I immediately figured out the immense cost to the litigants. I called the lawyers together, and said: 'Gentlemen, why don't you get your clients together?' All four lawyers shouted at once, 'They did get together, in the hallway, and it took our combined strength to separate them.' They would rather fight. There is something about human nature that causes men to fight. We felt that the time was ripe to introduce common-sense procedure in the courts, and I take this opportunity of saying that Colonel Pond had a very important part in helping to establish it, and particularly in formulating public opinion to accept the new doctrine.

"I am proud of any aggregation of men who combine for a laudable purpose. It is particularly true in the case of men who have to overcome prejudice. I can speak frankly to you. You know as well as I do, that your big fight was to overcome prejudiced public opinion. How does prejudice arise? Some one does wrong. He happens to be engaged in the same business with the rest of you. Immediately an unthinking mind rushes to a conclusion, and condemns the whole group. Public sentiment is not always just, because justice must be based on correct information. The public is not often correctly informed. That is how prejudice arises. So, when I see a combination of men, fighting together for a laudable purpose, and aiming to overcome prejudice, I say, God speed your efforts.

"When the legislation regulating loan associations in Ohio was proposed, it was not proposed from the outside, but it was proposed by you gentlemen. You wanted to cleanse the business, to make it impossible for unworthy men to engage in it. You held your business establishments open to the inspection of government officials. You encouraged supervision. You had nothing to hide. It is that attitude, gentlemen, which helped more than anything else to overcome public prejudice. I want to emphasize to you the great need of exercising justice in the private direction of your business. You demand justice. I demand justice. To secure it, we must practice justice.

"What is justice? It is a word so often spoken, so familiarly mentioned, that, because of the frequency of the use of the term, we have stopped thinking about it. I confess to you that I spent the major part of three months, at one time, traveling through the United States, from city to city, with a pad of paper and a pencil in my hand. I interviewed over two hundred of the most prominent citizens of the United States, comprising all vocations and professions. Each one of them was asked, what is justice? I received as many replies, and I compared the answers. No two of them agreed. None of them worked, in a practical way. A minister in New York City, a very prominent man, told me that justice aims to make men perfect—a short definition, easy to remember, so I thought I would apply it. The first case I ever tried, as judge in the old police court, was that of two young fellows, who were engaged in a physical encounter. I am not very good at description, but on scrutiny of their head and face, all you could see were the pupils of the eye and just a mere suggestion of the mouth, and you can imagine the rest. I said to myself, 'What did that minister say? "Justice aims to make men perfect!" Impossible, in this instance.' I became rather discouraged with that definition, and I took a pledge, after being on the bench four months, that if I ever met a perfect man, I would start on a dead run. I soon had my opportunity. The Congregational ministers of Ohio were having a conference in Cleveland. They wanted some one to tell of the work of the old police court, which, at that time, attracted attention. I came there, at their invitation, and told them of my struggle to find a definition of justice, and the resolution I made. Several hundred ministers were there. The chairman, a wise young man, turned to me and said, "Just a moment, judge." Then he deliberately looked around, and again turning to me, said, "I looked the bunch over. You don't have to run!"

"But soon I did discover what, to my mind, is the essence of American justice, to guide the court and also individuals in the administration of their business affairs. It is purely a matter of bookkeeping. Gentlemen, you keep books. You have three words that are most frequently used in those books—debit, credit, and balance. If you were to judge a business institution's standing by the entries on the debit side of the ledger, of course, it could not exist. You would be living in a fool' paradise, were you to judge the standing of a business by the entries on the credit page only. To arrive at a correct estimate of a business, you must make a comparison between the entries on the debit page and credit page, strike a trial balance, and form your judgment accordingly. Justice, my friends, is nothing more or less than judgment, based upon trial balances. Not by the debit page alone, nor by the credit page alone, but by our trial balance, shall we be judged. If you lead a clean life, and one mishap comes into your life, which brings you into conflict with the law, the correct estimate and formation of judgment in your case would be to place that mishap or violation of the law on the debit page of your ledger. Your life's record, if clean, must constitute the credit page of your ledger. A comparison must be made, your trial balance ascertained, and judgment formed, accordingly. May I say to you that this is the very essence of American justice, as distinguished from monarchical Europe. Why have the

demons of destruction rage? Why were nine million young men sent to an early grave? Why were twenty-five million others crippled, maimed, blinded, and made useless for life? Why were millions of women and children permitted to die from starvation and exposure? It is because of Europe's misconception of justice. They do not seek to ascertain the trial balance. They can see no good in an opponent, and that is the price the world pays for that misconception of justice. You cannot do a finer thing in America than to emphasize America as a nation of justice, which is, judgment formed upon trial balances.

"To recur to your business, why did you find it necessary to combat prejudice? Because the unthinking formed judgment upon the debit page of your ledger. They found one man who happened to be engaged in a business similar to yours, who did not conduct himself properly, and they were ready to condemn a whole group. They were not willing to make a correct examination as to how the rest of you are conducting yourselves. They condemn the business you are engaged in, upon one entry they discover by accident. It is the European conception of justice which forms judgment upon the debit page of the ledger only. I am not at all surprised that you were successful in abating prejudice, because the American public essentially wishes to be just and is usually just when properly informed. Alone, we cannot undertake that great work of informing the public, but by organization, by combining together, we can do it effectively, and I know that you did it effectively. There is an altogether different attitude towards the business in which you are engaged. The men who are engaged in the business are of a much higher type than those who were engaged in it years ago. As the business becomes purified and as it gains in the public estimate, men of integrity are attracted to it, and the more of those who are attracted to it, the better will be your grasp and hold on the public mind.

"I like the idea of getting together. I have often wondered what the so-called Americanism meant, and I conceived the thought that the best way of learning the meaning of the word is to compare it to something else. Just as you and I appreciate the advantage of daylight, by thinking of dark night, so we can learn to appreciate the meaning of the word, Americanism, by comparing it to monarchical Europe. A study of monarchical Europe discloses that, for centuries, the monarchs of the various countries sought to divide their people into fighting groups. They first divided them according to creed, and emphasized creed distinctions. Then they divided them according to social standing, and emphasized social distinction; then they divided them according to occupation, and emphasized national differences and distinctions. Division was the watchword of the monarch. You will ask why. I quote from an address made by an intelligent young woman. The address was delivered in Darkest Russia, under the régime of czardom. She spoke to the multitude, seeking to stir them into free thinking, and began by asking a question: 'Why is it, that millions of liberty-loving people slavishly submit to the rule of a tyrant and his handful of assistants?' The answer is simple, as you shall see. When I was a small girl, I lived with my grandfather, on his farm. He raised cattle there. One day I saw a herd of oxen, fifty in number, driven by a weak shepherd boy, with a whip in his hand, a barking dog at his side. Now and then, some one of the oxen strayed away from the trodden path, lured by the green pasture on the wayside. Instantly, the barking dog was at his heels. In a flash, the little tyrant with the whip was also there. The ox was brought into line. So shameful was his abuse of these dumb cattle, that I protested and said, 'Grandfather, these oxen are so powerful, one of them could destroy thousands such little shepherd boys; why, then, do fifty such powerful oxen submit to his rule?' 'My daughter,' said my noble grandfather, 'you do not know the brain of an ox. It is poisoned with suspicion and hatred toward the other oxen. Instead of realizing that, together with forty-nine others, he is driven and crushed to earth by a weak little tyrant, and his barking dog, each one of them believes that he is being driven, persecuted and crushed by forty-nine powerful oxen, and the little shepherd boy and barking dog at their head; and, while the oxen are suspecting and hating one another, the tyrant manages to crush them all.' The monarchs of Europe divide their people into fighting groups, and emphasize group distinctions. America discovered that fact, and it speaks to us in eloquent words. 'Men, by all means, get together, regardless of all differences and distinctions.' Getting together is the essence of America. We must, therefore, purify our souls and our hearts, and remove from our makeup every vestige of poison, hatred and prejudice. If you do not wish to see a repetition of slaughter, because of the hatred which Europe has sown, if you wish this world of yours to be really worth while, then get together. Live, and prosper, and develop together, and realize there is strength and life in union, while there is weakness and death in division.

"Permit me, before I conclude, to re-emphasize to you, two cardinal principles, to be remembered, and practiced: First, practice justice in the administration of your private affairs, by which is meant, that you form judgments according to trial balances only. You may well insist upon the fullest measure of justice to be accorded to you. Properly, you may demand that the public shall not judge you by the debit page of the ledger, but, instead, that it form judgment according to your trial balance, at the same time being careful to practice this idea in the administration of your individual business; because, in order to secure a full measure of justice, for yourself you must do and practice justice to others. Second, get together, and hold together. Cast aside prejudice, traditional hatred and suspicion, and all those poisonous influences which tend to divide men into fighting groups. We all condemn combinations which aim to throttle the public interest. Just as strongly must we encourage combinations of men which aim at self improvement. By all means, get together, and hold together.

"As the years advance, you will be looked upon as the poor man's banker—which you are. The average man has no one to intercede for him in a big banking institution, and help must come from somewhere. You are answering the demand of the average man. My friends, if you are to be bankers, please avoid the mistakes regularly practiced by bankers. The best way of cultivating human character, is through close association of men. I shall burden you with a short discussion as to the meaning of the word 'character.' It can be best explained by an illustration. Imagine that I am holding in my hand a sharp knife, a handle, with a blade sharpened to a keen edge. I can do a thousand and one useful things with that blade; yet, if I am evil-minded, I can destroy life and property with the same blade. What, then, determines the use to which I shall put the blade, whether I shall build with it, or destroy? The force within me, which determines its use, is called human character. You may liken the intellect to the sharpened blade, which can be used for destructive purposes, as well as constructive purposes. Character is the force within us which determines the use to which we shall put our intellect. We all wondered what was the matter with modern Germany. Germany was justly considered an intellectual nation. Its schools were amongst the best in the world. Prior to the war, a great many American parents sent their children to those German schools, in order to finish their education. Intellectually, Germany was the equal of any nation on earth. Why, then, did that nation commit the greatest atrocity of all history? How does it come that its intellectual attainments did not prevent it? This question answers itself. It possessed the intellect, which is merely a sharpened blade, but it did not emphasize the formation of human character, which is the force which determines the use to which our intellect shall be put. The intellect of Germany, a sharpened blade, was used for destructive purposes. Through association, we form and build character. Each one of us, by coming into contact with each other, learns the example of the other. Men, by all means keep together, for none but constructive purposes. Continue to be engaged in the educational work of informing the public concerning your business. Continue to exert your best efforts to keep out from your business undesirables. Respond to all great public demands. There is no doubt that you are fast becoming, and will continue to be, a great force in the makeup of our America.

"In conclusion, I thank you all for your kind attention."

ILLINOIS.

The annual meeting of the Illinois Association was held at Hotel Jefferson, Peoria, July 29, 1920. This meeting, which was called to order by Chairman L. C. Harbison at 2:30 in the afternoon, was a big success. It was a big success in spite of the fact that quite a number of members robbed themselves of an unusual opportunity for inspiration and improvement by not attending. It is said that one never misses that of which he remains ignorant, but every loan man who claims to be a loyal member of our Association and who has a sincere interest in Association work certainly slipped when he did not arrange to go to

Peoria. It is the voiced sentiment of every man who attended that at no previous State Association meeting have such vital, important and interesting matters come up for discussion.

Mr. Baldwin, Assistant Director of Department of Trade and Commerce, honored us by his presence and in a very frank but friendly manner made suggestions for the improvement of the business itself and as to how the work of inspection might be facilitated, together with a forecast of possible recommendations for changes in the law. The discussion of these matters was entered into with enthusiasm and carried on at length and finally referred to a committee, which will wait upon Mr. Baldwin at some future date.

In addition to Mr. Baldwin, we had as visitors Attorneys Hubachek and Napier, Mr. LeClaire and Mr. Woll of Chicago, Miss Cartmille, of the State Department, and others.

After the discussion with Mr. Baldwin, a business session for members only was carried on until 6 p. m.

After a delightful banquet dinner, which was participated in by the previously mentioned guests and the ladies, we were shown the particular distinction of being welcomed to Peoria by Mayor Woodruff, who gave us a brief talk on Organization, the necessity and benefits thereof, praising our present methods of doing business and offering us the freedom of the city of Peoria. Mayor Woodruff proved to be a very genial person and created a general spirit of merriment and good fellowship.

The eminent speaker of the evening, Senator John Dailey, held his audience in a high state of keen interest for twenty minutes, while he discoursed in his usual most eloquent manner upon the great reform brought about by the operation of the Uniform Small Loan Law and, in addition to complimenting our members upon their eagerness to adhere strictly to the requirements of the law and to assist in its enforcements, he gave a very impressive and valuable lecture upon the ethics we should attain. Senator Dailey's talk can be truthfully characterized as an inspirational sermon, abounding in practical suggestions and it is to be deeply regretted that every member of our Association did not hear his spoken word. For those who did not attend the Peoria meeting can consider that they missed the greatest opportunity yet afforded by the Association for personal improvement and a clear insight to the bigger and fundamental principles of the business.

Following Senator Dailey, Mr. W. T. Smith, President of the Peoria Merchants' Association, spoke on the advantages of the loan men and the business men of each city coöperating and exchanging ledger information. In the opinion of Mr. Smith, the principal object of the loan men having an Association is to bring before the people our present legalized methods of doing business and to disabuse the public mind that we are still operating alongside of unscrupulous and unregulated lenders. Mr. Smith said that if Senator Dailey's address could be heard by every citizen of Illinois, the object of our Association would be immediately and fully accomplished. In the opinion of Mr. Smith, only a very few people know that the small loan business is carried on under State supervision. Mr. Smith and his secretary assured us that the Peoria business men welcomed our members to the city and was very cordial in his remarks.

A detailed report on the discussion of Mr. Baldwin, together with a report on Attorney Napier's talk and the minutes of the regular business session will be taken up in the regular routine at the next regular meeting.

National Chairman Stratton, who could not be present, sent the following communication:

"LELAND, MICH., July 24, 1920.

"*My Dear Friends:*

"There are times when I wish I were twins or even triplets, so that I could be two or three places at once. Such a time is now, but I feel it my duty to myself and to the different things I am interested in, to be here taking a needed and, I hope, deserved vacation. In fact I am storing up energy for a two-and-a-half months' campaign to which I have promised to contribute myself this fall.

"To attend a meeting of loan men, since we have come into our own, is, indeed, to me a real pleasure. It has been my privilege to attend State Association meetings in several of the States where the business has been legalized and I can truthfully say that I have been not only royally entertained but have gone away from each meeting with new ideas that were valuable and with a broader vision of the responsibilities and possibilities of the loan business.

"Your Association is composed of members representing every phase of the loan business. All of the problems that come to the business comes to your members. The great city of Chicago, which has within its confines every breed, creed and type of borrowers, representing every known business, profession and occupation. On every hand are educated criminals of every stripe and with well-laid plans and schemes to beat the loan company. Then the down-state fellows who come in contact with the miners, the farmers and labor of all classes. For all of these the Association meeting is the clearing house in which all problems are discussed and, as a rule, solved. If the members will work at all times with this rule in mind, "All for one and one for all," and give and take and exchange ideas and experiences great good for the business and for the welfare of those engaged in the business will be accomplished.

"Nowadays the man, in any kind of business, who will not coöperate with others in his line of business has a long, rough road to travel, will receive small dividends in the end, and as a rule is not a success.

"The fact that the annual convention of the American Association meets in Indianapolis this year is not a happening so but planned (and I claim some part in it) that the members from Illinois, Michigan, Indiana and Ohio would be so close that they could all go and thereby derive the great benefits that are sure to come to every one who attends. The social side of the visit will well pay for the trip, but these benefits are so small as compared to the countless good, practical things you will get out of the melting-pot of ideas. If you are one of those who thinks he knows and understands his business, come and learn the many good things you are overlooking and many of which you can take home and apply to your own business.

"Indianapolis is a beautiful city and should be at her best the last part of September and the boys there are promising us a royal reception and a jolly good time.

"It will, indeed, be a pleasure for me to greet each one of you personally at Indianapolis and somehow or other I feel that I am going to do this very thing. Say, boys, let's have Illinois there with the largest per cent. of her membership than any other State in the Union. Are you on?

"With best wishes for your continued success and prosperity."

The Membership Commitee reported the following new members since our last meeting: Eli Feldman, 1549 S. Kedzie Ave., Chicago, Ill.; Geo. W. Ehrhart, 256 E. Main St., Decatur, Ill.; W. F. Charters, 234½ S. Sixth St., Springfield, Ill.; Central Loan Co. (J. E. Richards, A. E. Paris, Mgr.), 405 Lehman Bldg., Peoria, Ill. This gives the Association a present total membership of 68, with 14 new members secured since the first of this year. The membership committee was then given a vote of thanks for their efficient services.

Mr. Henderson, for the Publicity Committee, gave a brief talk reiterating his former statement regarding the advisability of personal contact publicity. Arrangements have been made, he said, for newspaper items to appear in Peoria papers, covering this present meeting. In this respect, he was very successful, as a number of good-sized articles appeared both before and after the meeting.

The election of new officers and the executive committee for the ensuing year resulted as follows:

Albert Snite, Chairman, 58 W. Washington Street, Chicago.

Fred Tyson, First Vice-Chairman, Danville, Ill.

John B. Skinner, Second Vice-Chairman, 11055 Michigan Avenue, Chicago.

L. T. Baker, Secretary, 109 N. Dearborn Street, Chicago.

J. D. Lynch, Treasurer, 30 N. Dearborn Street, Chicago.

Executive Committee.

Fred Snite, N. 1225 Ashland Avenue;
Charles Turgrimson, 8 S. Dearborn Street.

L. C. Harbison, 81 E. Madison Street.
W. G. Chandler, 701 Odd Fellows Bldg., Indianapolis, Ind.

T. B. Ward, 8 S. Dearborn Street.

Mr. Albert Snite then took the chair, but refused to comply with loud calls for a speech. He preferred to immediately get down to business, thereby demonstrating sincerity and evidence of capabilities to fulfill the office.

By unanimous vote Mr. Edward Steimle and L. H. Haywood, of Chicago, as alternate, and A. E. Paris and O. W. Inman as alternate of Peoria, were appointed to act as delegates for the Illinois Association to the National Convention at Indianapolis in September.

An expression of appreciation and vote of thanks was then extended to Mr. Harbison for the very efficient manner in which he had filled the office of chairmanship for the past three years and for the extremely unselfish manner he at all times gave freely of such information

and advice as would work for the benefits of the individual member.

Mr. Albrecht and Mr. Inman, and other Peoria members were given a vote of thanks for their activities in arranging the details of the Peoria meeting and for their cordial welcome of our members to their city.

Attorney Napier reported on the special federal tax, explaining that a ruling of the authorities in favor of loan men was brought about by the ability and efficient handling of the case by Attorney Hubachek, who has proven himself to be one of the most able loan man's attorney in America.

Mr. Napier went rather into details in explaining why he had remitted the checks of some members, assuring that a refund would be made in due course. He then took up the matter of city council ordinance requiring a payment of the license fee from loan men as financial agencies. He was authorized to handle the matter and to make arrangements for watching the city ordinance for acts, which may affect this business.

Mr. Napier then, in a very enthusiastic talk, advised all members to join the Illinois Chamber of Commerce and very effectively pointed out why such affiliations were of inestimable value both to the business and to the individual loan man.

Mr. Napier's talk was very interesting and inspiring and he again proves his loyalty to our Association and a conscientious interest in the welfare of its members.

By a motion made by Mr. Woll and properly passed, the Secretary was authorized to secure a membership in the Illinois Chamber of Commerce for the Illinois Industrial Licensed Lenders Association.

The business meeting was then adjourned and the banquet followed.

MONEY LENDERS SEE THE END OF HIGH LIVING.

Chicago, Aug.—With high-priced jobs growing scarcer every day, the era of high, wide and easy spending by the wage-earning public is nearing an end, according to men who make salary loans to wage-earners, and who assert that their business, better than any other, reflects the financial position of the everyday citizen—the wage-earner with a steady job and the salaried man with a limited income.

For the last two years, and particularly for the last year, some of the persional loan specialists say they have been keeping their shops open chiefly because they had to pay the rent. Everybody had money and nobody wanted any. Old accounts were paid up and new ones were not opened. Most of the persons who came looking for cash were unfortunate salaried men whose incomes had got left at the post in the grand handicap with the high cost of living, and most of them did not impress the money lenders as good risks. But within the last month all this has changed.

"It looks to me," said Arthur L. Weinschenk, "as though the crest of popular extravagance was about passed. No business is so accurate a gauge of the average man's prosperity as that of lending money in small amounts. During the last year our loans and those of nearly every other like concern in the city have sunk to half of their usual number. The wage-earners who used to be our best clients, have had more cash than they needed. But during the last month business has been getting better every day, until the number of borrowers is back to normal.

"The wage-earner is finding that easy jobs at big money are scarcer than they were, and that they are getting scarcer every day, and unless he saved while he was making big money, which very few have done, he is back applying for personal loans."

Managers of other loan establishments confirmed this statement.

NATIONAL INDORSEMENT.

THE VOLUNTEERS OF AMERICA.

Incorporated Nov. 6, 1896.

General Ballington Booth, President.
Major General Edward Fielding, Vice-President.
Under the leadership of
General and Mrs. Ballington Booth.
Colonel J. W. Merrill, Secretary.
Colonel W. J. Crafts, Treasurer.

National Headquarters,
No. 34 W. Twenty-Eighth St.,
New York City, July 27, 1920.

Mr. Edgar P. East, 175 Fifth Avenue, New York City:

My Dear Sir: It was a pleasure to bring to the attention of our National Field Board the Uniform Small Loan Law which through your efforts has become operative in a number of states, and with far-reaching beneficial results.

At our Board meeting of the eighth inst., the matter was very thoroughly discussed in your presence, and it was unanimously agreed that we heartily endorse this principle and encourage our people to advocate its adoption in every State.

This law and its application marks another step forward in human progress, and we wish you Godspeed in the work of saving the poor man from the person commonly known as the loan shark.

Cordially yours,

(Signed.) JAS. W. MERRILL,
Secretary.

HIGHER RATE ON LOANS CONSIDERED.

Banking Committee Recommends Law Permitting Loans in Excess of Six Per Cent.

The Philadelphia Chamber of Commerce has under consideration a resolution recommending that the legislature of Pennsylvania enact a law permitting the loaning of money at a higher rate than six per cent. This resolution was reported back by the Committee on Banking and Currency with its unanimous recommendation.

At present the statutes of New York, Illinois, Massachusetts and other States legalize higher rates of interest than six per cent. As a result loanable funds, under such conditions as exist to-day, move from a lower market to a higher market, and the loaning facilities of Pennsylvania banks and trust companies are reduced at the period of greatest need. A change in the laws of Pennsylvania is desirable, not in order to enable banks to increase their profits, but to enlarge their ability to serve the commercial and industrial interests of the State.

In the different districts the directors of the Federal Reserve Banks are seriously considering raising the discount rates above six per cent., and in that event the action of the Philadelphia Federal Reserve Bank may present a difficult problem for banking circles. A member bank would hardly be justified in lending at six per cent., the maximum legal rate in Pennsylvania, to a customer whose paper would have to be discounted with the Philadelphia Federal Reserve Bank at seven per cent. If circumstances should justify a prevailing rate of seven per cent. in New York, Chicago, Boston, where such a rate is legal, Pennsylvania merchants, manufacturers and banks would operate at a considerable disadvantage because the tendency would be to draw loanable funds from Pennsylvania; increase loans here; and liquidate loans in other places rather than here where a borrower had loans outstanding in each place.

A commission, of which Geo. D. Edwards, Esq., of Pittsburgh, Pa., is chairman, has been appointed by the Pennsylvania legislature to codify the laws of this Commonwealth relating to banks, private bankers and trust companies. The resolutions providing for increasing the maximum legal rate of interest have been supported by stock exchanges, clearing houses and chambers of commerce in several other cities. It does not by any means follow that a rate above six per cent. would apply to all transactions, but such an enactment would make it legal for the parties interested to contract for a higher rate should the law of supply and demand and the general situation justify the payment of such a rate. Competition among lenders and economic law would protect borrowers against unreasonable interest charges in the future as in the past.—*Philadelphia Chamber of Commerce News Bulletin.*

THOUGHTS ON LIFE AND BUSINESS.

BY B. C. FORBES.

The fellow who isn't fired with enthusiasm is apt to be fired.

Excess is an arch enemy of success.

If top-notch effort yields you no happiness, there's something wrong either with you or your efforts. Sit down and do some analyzing.

After all, you've got to give full, fair value. Or you won't last.

Carelessness and failure are twins.

The most valuable "system" is a good nervous system.

Saving is having.

If you have half an hour to spare, don't spend it with someone who hasn't.

Don't simply see how you can "put in the day." See how much you can put into the day.

Never contrive to make it easy for your concern to get along without you.

Make sure the prize you chase is worth the price. If you cultivate your talents you'll always find an opportunity to use them.

When in a fix, sweating will get you farther than swearing. Let mules do the kicking.

Honking your horn doesn't help so much as steering wisely.

Don't expect poor work now to lead to brilliant work hereafter.

You have no idea how big the other fellow's troubles are.

It's all right to aspire to control others, but have you begun with No. 1.

Notice that two-thirds of "Promotion" consists of "Motion."

There is a better market for smiles than frowns.

The highest form of salesmanship is nothing but service.

The only influence worth having is the influence you yourself create.

The wages of idleness is demotion.

There is no higher rank than that of worker. No title can ever make a loafer a noble-man.

There must be output before there can be income.

Defeat is often a spur to victory.

The best reward is sense of worthy achievement.

Good times for all can only be the product of good work by all.—*Reprinted from Forbes Magazine, 299 Broadway, New York.*

MANAGER WANTED.

Will be pleased to get in touch with good reliable man capable of taking charge of a fair-sized office in Middle West. Send answer in care of the INDUSTRIAL LENDERS NEWS, Box 778, Harrisburg, Pa.

OUTSIDE MAN WANTED.

A growing Baltimore licensed office, member of both state and national organizations, has a vacancy for a good outside man who, if he has the goods, can advance. If interested write complete details in first application, including salary wanted.

Address National Secretary, Box 778, Harrisburg, Pa.

CONVENTION NEWS.

INDIANAPOLIS, INDIANA,

Aug. 25, 1920.

To the Members of the American Association:

"A good time was had by all!"

That is exactly what you will be saying after attending the American Association convention in Indianapolis, September 27th, 28th and 29th. Plenty to see—plenty to hear—plenty of fun and plenty of real business to pep you up for the whole next year.

Bring your wife! Yes, we really mean it—bring your wife along, because we are going to show the ladies a particularly good time. Over forty members have told us already that friend wife will be along. We expect at least a hundred *ladies* and if you don't bring yours she'll never forgive you.

Have you made your reservations? Let me do it or write at once to the Claypool Hotel. Please don't delay!

The Indiana Association *wants you* here and you can't afford to miss this convention. Remember September 27th, 28th and 29th, at the Claypool Hotel.

Yours very truly,
R. C. AUFDERHEIDE.

Rates at hotel: Single $2.00 and up; Double $3.50 and up.

INDIANAPOLIS, INDIANA,

Aug. 30, 1920.

MR. GEO. W. KEHR,
Harrisburg, Pa.

Dear Mr. Kehr:

Will you kindly announce in the LENDERS NEWS that the headquarters for the convention will be in Room 846, which immediately adjoins the Assembly Room where meetings will be held.

Please urge everyone to register immediately after arriving in Indianapolis. Headquarters will be open beginning Sunday afternoon, September 26th.

Yours very truly,
R. C. AUFDERHEIDE.

INDIANAPOLIS, INDIANA.

Sept. 1, 1920.

MR. GEO. W. KEHR,
Harrisburg, Pa.

Dear Mr. Kehr:

You may now announce that the Honorable Charles W. Jewett, Mayor of Indianapolis, will give an address of welcome to the American Association Monday morning, September 27th.

I have received word through the mayor's secretary that he will be glad to make the address.

Yours very truly,
R. C. AUFDERHEIDE.

INDIANAPOLIS, INDIANA,

Sept. 1, 1920.

MR. GEO. W. KEHR,
Harrisburg, Pa.

Dear Mr. Kehr:

I have just received a pleasant surprise which I am sure will please you as much as it did me. Mr. S. A. Fletcher, a prominent banker of Indianapolis, called upon us, and brought with him a Doctor Mochelle. This gentleman is secretary and interpreter for an eminent Chinese financier, Li Chung, of Shanghai, China. This Chinese gentleman is touring the United States, investigating various financial conditions and enterprises. He is particularly interested in the small loan business as it is conducted in the United States, and has asked permission to visit some of our offices.

Doctor Mochelle has lived a number of years himself in China and speaks the language fluently and told us many interesting things regarding the people of China and etc. I told Doctor Mochelle that we were going to have a National Convention September 27th, 28th and 29th, and asked him if he would not have Mr. Li Chung and himself attend the convention. I have also taken upon myself to invite Mr. Li Chung to make an address at the banquet, and we will know to-morrow if he can accept. Personally, I believe that this would be a big boost for the convention and the loan business generally in the matter of publicity.

I shall write you further as soon as I hear from them as they are leaving Indianapolis to-morrow night for New York.

Yours very truly,
R. C. AUFDERHEIDE.

CHICAGO, Sept. 1, 1920.

MR. GEO. W. KEHR,
204 Chestnut Street,
Harrisburg, Pa.

Dear Mr. Kehr:

I want to impress you with the fact that Senator Dailey is a very forceful talker and that his address will be different. I am satisfied that it will be the outstanding event of the day.

Yours very truly,
L. C. HARBISON.

INDIANAPOLIS, INDIANA,

Sept. 1, 1920.

MR. GEO. W. KEHR,
Harrisburg, Pa.

Dear Mr. Kehr:

Since writing you this morning I have learned definitely from Doctor S. T. Mochelle, secretary and interpreter of Mr. Li Chung, that he will accept our invitation to attend our meeting, and address the banquet on Tuesday evening, September 28th.

I am sure that we have scored a big hit in securing Mr. Li Chung, who will tell us how they lend money in China and tell other things that will be very interesting. Please give this wide publicity in the LENDERS NEWS, as it will be the means of increasing our attendance.

Instead of giving a tea at her home, Mrs. J. H. Aufderheide has decided to give a luncheon, Monday, 1 p. m., at her home, and all the ladies attending the convention are invited. Mrs. Aufderheide would like to know how many will be here. I wish that you would ask the members of the Association to notify me if they are going to bring their wives, daughters or any other ladies.

Yours very truly,
R. C. AUFDERHEIDE.

INDIANAPOLIS, INDIANA,

Sept. 3, 1920.

To Everybody—Everywhere.

Do you know George W. Kehr?

Have you ever met Judge Dyer?

Would you be pleased to shake hands with C. H. Stratton?

Are you anxious to meet W. G. Wood?

Like to talk to Rutherford or Ryan or Blumberg or Watts?

East, Harbison, Woll, Broughman or Harrison?

They'll all be at the American Association convention in Indianapolis, September 27th, 28th and 29th.

Yes, and many, many others no less prominent.

Of course, you're coming—everybody with a single ounce of progressive spirit will be here. Engage your rooms at the Claypool Hotel now! Bring your wife

or sweetheart! You'll be out of luck forever if you miss this convention.

Yours very truly,

R. C. AUFDERHEIDE.

P. S.—An eminent Chinese financier, Mr. Li Chung, of Shanghai, China, will give an address at the banquet Tuesday night. Mayor Jewett, of Indianapolis, will speak Monday morning.

NEW JERSEY.

The semi-annual meeting of the New Jersey Licensed Lenders Association was held July 29th at the office of the Mutual Finance Company, Frost Building, Park Avenue, Plainfield.

Business of importance was transacted relative to the coming convention of the American Association of License Lenders which takes place in Indianapolis, Ind., Sept. 27th, 28th and 29th. Chairman J. W. Whitstone and Vice Chairman Charles H. Watts were delegated to attend.

An interesting address on general finance was made by Harold Depew, of Elizabeth, and Counsellor Martin Stutsman greeted the members upon their visit to Plainfield. After the meeting the entire body went to Chairman Whitstone's home, 918 East Front Street, for dinner.

Among those present were: P. Alberse and F. Simon, Paterson; J. Irish and J. Long, Jersey City; A. Simonson, Newark; S. Vogel, Trenton, and W. Wick, Philadelphia.

FOR THOSE WHO BORROW.

The Volunteer workers are urged to encourage those in need and who wish to secure small loans to approach the American Industrial Licensed Lenders, whose kindly offices are ever open to worthy persons. This association of lenders has representatives in every large city of the Union.

A STRONG, WELL-BALANCED COMMITTEE.

E. M. Wasmuth, chairman of the Republican state committee, has shown rare tact and judgment in the selection of the state executive and state advisory committes to assist in the management of the campaign. He has chosen men of recognized ability and influence in their communities and in the state at large, and men who may be depended upon to get all elements in the party to work enthusiastically for the Republican ticket. Not only are all districts but all shades of opinion represented on his list of helpers.

The state chairman scarcely could have improved on his choice of C. H. Stratton, of Sullivan, to be at the head of the executive committee. Mr. Stratton is an excellent organizer, who has had wide experience in recent Indiana campaigns. He is a fellow townsman of Will H. Hays, chairman of the Republican national committee, and during eight years has been associated with Mr. Hays in organization work in Indiana. He is a tireless worker who has the faculty of imparting his own enthusiasm to those about him. He will be aided by John Shankin, of Frankfort; Ed Paul, of Cambridge City; John Edwards, of Mitchell, and Walter Riley, of Indiana Harbor.

The members of the executive committee are all men of the aggressive type who may be relied upon to put life into the party's bid for success at the polls. The advisory committee, one from each district, is also modeled to produce the maximum of results with the minimum of lost motion. The members are acknowledged leaders and substantial business and profession men in their communities. All told, the committee is one of the strongest that ever directed a campaign in Indiana.—*The Terre Haute Star, July 5, 1920.*

LICENSED LENDERS IN ANNUAL SESSION.

Between 75 and 100 Members of New State Loan Association Are Here.

Uplift of the Business Makes Rapid Headway Under New Law and Notorious "Loan Sharks" Find Sledding More Difficult.

The annual convention of the Illinois Industrial Licensed Lenders' Association got under way at the palm room of the Jefferson Hotel at 2 o'clock this afternoon with between 75 and 100 members in attendance. A banquet is also scheduled for 6:30 to-night in the Indian room, followed by a program of talks and addresses.

State Chairman L. C. Harbison, of Chicago, presided and opened the afternoon session. He was followed by Mayor E. N. Woodruff, who gave the visitors official welcome on behalf of the city.

William S. Baldwin, assistant director of the state trades and commerce of Springfield, gave a detailed account of the purposes and results of the law under which the association transacts business. He explained that the law, which was passed in 1917, had done much to put the business on a higher plane and to weed out the notorious "loan sharks" who had been bleeding the public. It was estimated that the provision fixing the maximum rate at 3½ per cent. per month in place of the old-time 10 per cent. rate was saving Peorians alone over $300,000 annually.

B. E. Henderson, Chicago, chairman of the publicity committee of the state association, gave a talk on "Personal Publicity." He discouraged a state-wide campaign of paid publicity but advocated such publicity in the localities where there was greatest need of correcting the evils that had crept into the loan business.

Among the reports submitted were those of Secretary L. T. Baker, Chicago, and Miss Cartmill, of Mattoon, investigator for the state trades and commerce commission.

Election of officers was also on the afternoon schedule.

The principal speakers at to-night's banquet will be State Senator John Dailey and Willis Evans, executive secretary of the association of commerce.

AN INTEREST ANSWER GIVEN QUICKLY AND ACCURATELY PROVES THAT YOUR OFFICE IS HIGHLY EFFICIENT

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Meilicke *Time* and Interest Calculator, $150.

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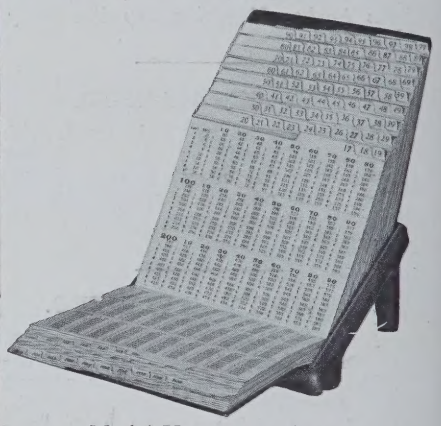

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INDUSTRIAL LENDERS NEWS

Vol. V. No. 4. OCTOBER, 1920. Price, $1.00 a Year.

VIEW OF THE BANQUET HALL, RILEY ROOM, CLAYPOOL HOTEL, SEPT. 28, 1920.

NATIONAL CONVENTION.

The Sixth Annual Convention of the American Industrial Licensed Lenders Association was held at the Claypool Hotel, Indianapolis, Indiana, September 27, 28 and 29. Registration headquarters were opened at the hotel on Sunday, September 26, and very soon thereafter, delegates from all over the United States began to arrive. It was by far the best attended convention, and best handled by the local association in charge, of any ever held. The badges given to all who registered were unique and beautiful in design—the kind that everyone will keep as a souvenir. The Arrangement Committee of the Indiana Association, consisting of R. C. Aufderheide, W. G. Chandler and W. R. Hancock, covered themselves with glory. There was no detail which escaped their attention. Every feature of the program was so well arranged that it left no chance for criticism. The guests were well looked after and well entertained. The intellectual program was of high grade and the discussions on the many subjects introduced, were very lively.

There were about one hundred and eighty-four persons present, including forty-nine ladies, representing altogether twelve states.

Those who registered included the following: Capitol Loan Co., Indianapolis, Ind., L. L. Bishop; Fidelity Loan Co., Indianapolis, Ind., Harry Levy; W. G. Chandler, Indianapolis, Ind.; State Loan Co., South Bend, Ind., H. H. Burrell; State Loan Co., South Bend, Ind., Allen V. Keeney; Central Loan & Investment Co., Logansport, Ind., J. F. Murdock; Mechanics Finance Assn., Evansville, Ind., George Weidner; American Loan Co., Columbus, Ind., W. F. Willet; Kokomo Central Loan Co., Kokomo, Ind., Fred Davies; Hoosier Loan Co., Martinsville, Ind., A. G. Rose; Provident Loan Assn., Hammond, Ind., Chas. L. Ganser; Indiana Loan Co., Indianapolis, Ind., Jos. Baum; Model Loan Co., Indianapolis, Ind., Paul A. Hancock; Greene County Loan Co., Linton, Ind., Homer Fordyce; Peoples Coll. Loan Co., Ft. Wayne, Ind., Geo. A. Long; Clupper Loan Co., Marion, Ind., Geo. L. Clupper; Indianapolis Finance Co., Indianapolis, Ind., Henry C. Mitchell; Security Mortgage Loan Co., Indianapolis, Ind., A. R. Dana; Model Loan Co., Indianapolis, Ind., C. E. Clift; State Loan Co., Indianapolis, Ind., Geo. W. Farrington; Indiana Collateral Loan Co., Indianapolis, Ind., F. J. Schueman; Geo. C. Grinsteiner, Indianapolis, Ind.; W. A. Zumpfe, Indianapolis, Ind.; Terre Haute Loan Co., Terre Haute, Ind., Ray Reynolds; J. H. Aufderheide, Indianapolis, Ind.; Thos. M. Kaufman, Indianapolis, Ind.; Fidelity Loan Co., Sullivan, Ind., C. H. Stratton; R. C. Aufderheide, Indianapolis, Ind.; Wm. R. Teel, Indianapolis, Ind.; Indiana Loan Co., Anderson, Ind., W. B. Crunk; Ft. Wayne Loan Co., Ft. Wayne, Ind., R. C Hardisty; Knox Co. Real Estate and Loan Co., Vincennes, Ind., F. E. Janis; Interstate Coll. Loan Co., Indianapolis, Ind., J. M. Beroset; Model Loan Co., Indianapolis, Ind., W. R. Hancock; American Loan Co., Princeton, Ind., Martha Kroh; Clupper Loan Co., Marion, Ind., R. T. Calendar; B. & T. System, Terre Haute, Ind., M. Blumberg; Legal Loan Co., Marion, Ind., H. E. Arnett; Central Loan Co., Frankfort, Ind., Russell P. Agnew; Legal Loan Co., Marion, Ind., A. C.

(*Continued on page 2.*)

INDUSTRIAL LENDERS NEWS

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Correspondence and items intended for publication should be addressed to Geo. W. Kehr, 204 Chestnut St., Harrisburg, Pa.

NATIONAL OFFICERS, 1920-1921.

Chairman, C. H. Stratton, Sullivan, Indiana.
Treasurer, J. H. Aufderheide, 860 Lemcke Annex, Indianapolis.
Secretary, G. W. Kehr, 204 Chestnut St., Harrisburg.

VICE-CHAIRMEN.

Conn.—A. S. Edwards, 42 Bank St., Waterbury.
Ill.—Albert Snite, 58 W. Washington St., Chicago.
Ind.—Robert Spencer, Jr., Grant Saving & Trust Co., Marion.
Iowa.—T. J. Harrison, 115½ E. 4th St., Waterloo.
Md.—H. T. Mattingly, 102½ Park Ave., Baltimore.
Mich.—F. E. Stroup, 507 Commercial Bank Bldg., Grand Rapids.
N. J.—J. W. Whitstone, Frost Bldg., Plainfield.
Ohio.—C. C. Woodley, 229 Spitzer Bldg., Toledo.
Pa.—E. P. East, 175 Fifth Ave., New York.
R. I.—W. G. Wood, 268 Westminster St., Providence.
Va.—J. E. Edge, 202 N. 1st St., Richmond.
W. Va.—Wirt V. Hawkins, 301 Wheeling Bank & Trust Bldg., Wheeling.
Unorganized States.—R. M. Rutherford, 203 Coleman Bldg., Louisville, Ky.

COMMITTEES.

Chairman, Auditing, R. M. Rutherford, 203 Coleman Bldg., Louisville, Ky.
Chairman, Finance, J. H. Dyer, 404 Commerce Bldg., Columbus, O.
Chairman, Law, F. R. Hubachek, Esq., 610 McKnight Bldg., Minneapolis.
Chairman, Legislation, C. H. Watts, 1011 Chestnut St., Philadelphia, Pa.
Chairman, Membership, L. T. Backer, 109 N. Dearborn St., Chicago, Ill.
Chairman, Publicity, W. G. Wood, 268 Westminster St., Providence, R. I.
The National Council is composed of the National Officers, Vice-Chairmen, and Committee Chairmen.

VIRGINIA.

In a letter dated September 29 to the attorney of one of the licensees operating under the modified uniform law, A. Plummer Pannill, Commissioner of the Revenue, says: "Under a recent decision, I have been directed by the Auditor of Public Accounts to assess all Uniform Small Loan concerns on capital invested in business, as of February 1st of each year. In view of this method there is no city license ordinance, the tax being 85 cents State, and 30 cents City, on each $100." Anyone interested can get a copy of the law referred to by writing Hon. C. Lee Moore, Auditor Public Accounts, Richmond, Va.

WHO'S WHO IN THE A. I. L. L. A.?

One of the features of the "NEWS" during the coming year will be word sketches of the prominent members illustrated by photographic cuts. The purpose is to acquaint members more intimately with the men who are giving their time to the promotion of association affairs. It is also believed it will be helpful in educating non-members who ought to be supporting the work. If the idea stimulates an interest in association work, it will please the executive committee. All members are eligible, but only those who have rendered distinguished association service will be written up this year.

NATIONAL CONVENTION.

(*Continued from page 1.*)

Broughman; Clupper Loan Co., Marion, Ind., Frank L. Blue; Capitol Loan Co., Shelbyville, Ind., R. E. Tappan; Capital Loan Co., Shelbyville, Ind., Francis L. Thompson; Hawkins Mortgage Co., Portland, Ind., A. A. Scheib; Greene County Loan Co., Linton, Ind., W. P. Stratton; Jefferson Loan Co., Madison, Ind., Chas. O. McBride; Jefferson Loan Co., Madison, Ind., John McGregor; Fidelity Loan Co., Sullivan, Ind., C. H. Snavely; Clupper Loan Co., Marion, Ind., Paul W. Lytle; Miami Loan Co., Connersville, Ind., G. M. Leapley; Federal Loan Co., Noblesville, Ind., P. O. Duncan; Legal Loan Co., Lafayette, Ind., Ross L. Watkins; Legal Loan Co., Marion, Ind., R. J. Spencer, Jr.; Crescent Loan & Inv. Co., Evansville, Ind., Wm. I. Mace; Richmond Loan Co., Richmond, Ind., O. S. Beck; American Loan Co., Evansville, Ind., Geo. F. Smith; American Loan Co., Indianapolis, Ind., Roy F. Hartz; Fidelity Loan Co., Sullivan, Ind., Arthur Snavely; W. P. Woll, Chicago, Ill.; Central Loan Co., Peoria, Ill., Bert E. Burgan; Clayton B. Burch, Evanston, Ill.; State Loan Co., Joliet, Ill., John H. Gray; Chicago-Household Loan Co., Chicago, Ill., Jas. D. Lynch; Fred Huettmann, Chicago, Ill.; L. C. Harbison, Chicago, Ill.; B. E. Henderson, Chicago, Ill.; Peoria Loan Co., Peoria, Ill., O. W. Inman; State Loan Co., Elgin, Ill., F. I. Case; E. Pearl Cartmill, Springfield, Ill.; Chicago Mortgage Loan Co., Ill., D. H. Rose; American Loan Co., Chicago, Ill., Edw. M. Steimle; Baker & Co., Chicago, Ill., L. T. Baker; Fidelity Loan Co., Peoria Ill., N. Albrecht; Citizens Loan Assn., Chicago, Ill., John A. Breen; Charles R. Napier, Chicago, Ill.; Fidelity Loan Co., Danville, Ill., F. E. Tyson; Meilicke Calculator Co., Chicago, Ill., W. I. Marsh; Chicago Finance Co., Chicago, Ill., Arthur L. Weinschenk; Chas. Turgrimson, Chicago, Ill.; Imperial Credit Co., Chicago, Ill., Albert P. Snite; Local Loan Co., Chicago, Ill. Fred B. Snite; Roseland Loan Co., Chicago, Ill., J. B. Skinner; Capital Loan Co., Columbus, O., B. L. Thuma; Capital Loan Co., Columbus, O., L. K. Osborne; R. V. Barto, Columbus, O.; Bryan Utility Bureau, Bryan, O., A. E. Snyder; Bryan Utility Bureau, Bryan, O., E. T. Binns; Industrial Loan Co., Columbus, O., C. B. Ogle; Industrial Loan Co., Columbus, O., J. P. Michael; Springfield Coll. Loan Co., Springfield O., J. Fred Anderson; Mansfield Provident Co., Mansfield, O., M. L. Andersen; Warren Loan Co., Warren, O., W. T. Haas; Youngstown Loan Co. Youngstown, O., R. L. Bickley; J. H. Dyer, Columbus, O.; Interstate Collateral Loan Co., Toledo, O., C. C. Woodley; Community Collateral Loan Co., Toledo, O., Thos. L. Gifford; Community Collateral Loan Co., Toledo, O., Frank P. Slyh; Ohio Loan Co., Dayton, O., B. F. Wenosch; Home Chattel Loan Co., Zanesville, O., John W. Keller; Cincinnati Collateral Loan Co., Cincinnati, O., E. E. Beyer; Ohio Loan Co., Akron, O., J. E. Roush; Ohio Loan Co., Newark, O., L. E. Greer; Ohio Loan Co., Zanesville, O., F. E. Matthews; Economy Building and Loan Co., Cleveland, O., Col. D. H. Pond; R. H. Hubbell, Erie, Pa.; Provident Loan Co., Sharon, Pa., C. N. Case; Harry L. Drake, Philadelphia, Pa., Security Loan Co., Philadelphia, A. L. Wick; Chas. H. Watts, Philadelphia, Pa.; National Equitable Investment Co., Philadelphia, Edward B. Webster; National Equitable Investment Co., York, Pa., Edgar P. East; C. H. Harris, Pittsburgh, Pa.; Co-operative Loan & Investment Co., Harrisburg, Pa., Geo. W. Kehr; Guarantee Loan Co., Philadelphia, Pa., V. D. Moss; Provident Loan Co., Philadelphia, Pa., Alfred S. Ezekiel; Community Finance Service, Inc., Philadelphia, Pa., Chas. G. Mueller; Grand Rapids Loan Co., Grand Rapids, Mich., F. S. Whalen; Jordan & Firth Loan Co., Grand Rapids, Mich., H. D. Firth; Chattel Loan Co., Grand Rapids, Mich., Irving H. Stroup; Kalamazoo Loan Co., Kalamazoo, Mich., D. McNally; State Loan Co., Detroit, Mich., W. G. Stevens; West Virginia Loan Co., Huntingdon, W. Va., R. I. Barker; State Loan Co., Wheeling, W. Va., H. L. White; W. H. Patterson, Wheeling, W. Va.; National Loan Co., Wheeling, W. Va., W. V. Hawkins; West Virginia Loan Co., Charleston, W. Va., Robt. McKiernan; State Loan Co., Waterloo, Ia., T. J. Harrison; Tri-City Loan Co., Davenport, Ia., P. B. Atchison; Peoples Provident Assn., Louisville, Ky., R. M. Rutherford; Louisville Loan Co., Louisville, Ky., F. R. Pooley; Co-operative Loan & Investment Co., Baltimore, Md., E. E. Hougham; Surety Guarantee Co., Baltimore, Md., H. T. Mattingly; National Equitable Investment Co., Inc., New Haven, Conn., Harry E. Clark; Protective Investment Co., Paterson, N. J., P. L. Alberse; Household Loan Co., Providence, R. I., W. G. Wood.

Telegrams expressing regret that they could not be present were received from Arthur H. Ham, vice-president of the Provident Loan Society, New York, and Hugh Howell, Esquire, of Atlanta, Ga. Letters were received from the members of the National Federation of Remedial Loan Associations expressing regrets that they were unable to attend.

C. H. Stratton, National Chairman, called the Convention to order at ten o'clock, Monday morning, September 27. As the Mayor of Indianapolis was unable to be present at the hour scheduled for his address of welcome, Robert Spencer, Jr., of Marion, Ind., delivered a brief address of welcome in behalf of the Indiana Association. On motion, the reading of the minutes of the last Convention held in Atlantic City, was dispensed with.

The National Chairman, then delivered his annual address and recited the activities of the past year which came under the supervision of the Executive Committee. He thanked the members for the honor conferred upon him a year ago, and spoke briefly of the accomplishments and hopes of the Association. He referred to the enactment of the Uniform Bill in Georgia, and told the Convention of the introduction of bills purporting to reduce the interest rate in states where an equitable rate has been established. His reference to the speech of Governor Cox last winter before the Ohio Association, in which he referred in a complimentary way to our business, was well re-

ceived. He thanked the members and officers for their coöperation during the past year. In speaking of the help that public welfare bodies have been in the enactment of various laws regulating the small loan business, he said, "I believe the Russell Sage Foundation deserves more credit than any other one factor."

At this point, Mr. D. H. Bynum, City Attorney of Indianapolis, delivered an eloquent address of welcome, in place of Mayor Jewett. He said, "Your business deserves the highest commendation because it helps a man who is down but not out, and has no credit at bank." He said further, that from what he had observed in Indiana, that the business had been placed upon such a high plane that no supervision was necessary. He urged all his hearers that in this day of extravagance they should do their best to limit the loans to necessities, and thus assist in putting the country on a sound financial basis.

W. A. Zumpfe reviewed the work of the membership committee for the past year, in which he stated there had been a loss in the number of members, but that prospects were, if the suggestions which he made were carried out, the membership of the national association could be very materially increased during the coming year. Mr. Zumpfe thinks that after the letter writing campaign has failed, that the only way to get results is by a personal interview, and he suggests that the state associations and the national association should appoint representatives to interview lenders who have not yet come into the Association. Much is expected from the membership campaign which will be inaugurated this year as the result of Mr. Zumpfe's report, and the consideration of others who regard it as a very important matter.

The report of the Committee on Legislation was read by R. M. Rutherford, which showed that there had been activity in Massachusetts, New York, New Jersey, Maryland, Virginia, Kentucky and Georgia. The report showed that the laws in Massachusetts, New Jersey, Maryland and Virginia all remained intact, the New York law was made more liberal, the campaign in Georgia resulted in the enactment of the Uniform Law, and in Kentucky in its defeat. Mr. Rutherford concluded his report by saying, "There are many states in which legislation is still sorely needed and may be attempted within the next year. It is too early as yet to predict just what the activities of the Sage Foundation may be, but we are looking to that organization as the active agency in the legislative field, for we appreciate the fact that the Foundation must be given the credit for the improved conditions existing to-day in the industrial loan business."

F. R. Hubachek's report for the Law Committee was very much appreciated because it called to mind the efficient services rendered by him by which every one in the small loan business benefited during the past year. The removal of the so-called Ideal Anti-Loan Shark Bill from the legislative field, the reversal of the ruling of the Commissioner of Internal Revenue with respect to salary assignments, the decision of the National Conference of Commissioners on Uniform State Laws, not to take up anti-loan shark legislation, were among the outstanding accomplishments of the Law Committee during the past year. Mr. Hubachek was unable to be present personally, but his excellent report was read by Mr. Watts. His pamphlet addressed to the Special Committee of the National Conference of Commissioners on Uniform State Laws, to consider the so-called anti-loan shark law, was regarded by everyone who heard it, as a masterpiece in the literature that has been written in defense of the proper regulation of the small loan business. Mr. Hubachek's argument is backed up by laws and decisions covering a wide range of states. It is our purpose to publish in full all of the addresses, reports and papers in the Year Book, which we hope to have ready for distribution in a month or two.

The report of the National Treasurer and Auditing Committee, is as follows:

Receipts.

Cash Balance, Sept. 5, 1919 ..	$1,006 86
Dues paid by	
Connecticut Assn.	200 00
Illinois Assn.	2,590 25
Indiana Assn.	1,790 50
Iowa Assn.	290 00
Maryland Assn.	627 50
Michigan Assn.	504 50
New Jersey Assn.	438 08
Ohio Assn.	1,409 29
Pennsylvania Assn.	2,810 80
Rhode Island Assn.	320 00
Virginia Assn.	235 00
West Virginia Assn	122 50
Individuals	1,281 55
Special Contributions	350 00
Subscriptions to Lenders News	64 00
Advertising in Lenders News	32 00
Subletting part of Office	30 00
Sales of Year Books	347 00
	$14,449 83

Disbursements.

Stationery supplies and postage	$383 70
Office Rent	222 00
Salaries and Services	1,950 00
Traveling Expenses	2,431 30
Printing Lenders News	496 37
Printing Year Books	197 35
Miscellaneous Expenses	137 32
Publicity	5,183 28
Cash Balance, Sept. 20, 1920.	3,448 51
	$14,449 83

We hereby certify that we have audited the above accounts and found same to be correct, and that the above is a true and correct statement of the condition of the National Treasury on September 20, 1920.

Edgar P. East, *Chairman;*
Harry E. Clark;
Auditors.

The report of the National Secretary covered the activities in his office during the past year, and referred in a complimentary way to the excellent coöperation received from members during the past year, in fulfilling the duties of his office. He was especially gratified with the good material that had been sent him for publication in the Industrial Lenders News. He made a suggestion with respect to dues to simplify their collection, and to equalize the amount paid by each member. The point he tried to make was that the little member would not have to pay any more than he now does and the larger members, who have borne the financial burden during the past year, would have to pay a little less, but that the middle men who average loan balances were from $25,000 to $75,000 would have to pay a little more. The idea was too new for the Convention to approve it without further consideration, so the matter of dues were left as written a year ago in the Constitution. Dues will be payable direct to the National Secretary in unorganized states. In organized states, dues will be payable through the State Association officers as heretofore.

National Chairman Stratton appointed the following committee to nominate officers and committee chairmen for the ensuing year: Messrs. East, Baker, Dyer, Zumpfe and Watts.

At noon, Mrs. J. H. Aufderheide entertained the ladies attending the Convention at her home, after which they were taken for an automobile ride about the city, sightseeing.

At two o'clock, the paper prepared by Walter S. Hilborn, acting Director of the Division of Remedial Loans, Russell Sage Foundation, New York, entitled "The Year's Progress and the Uniform Law" was read by the National Secretary in the absence of Mr. Hilborn, who was unable to be present in person. Mr. Hilborn's paper contains some very significant statements, among which may be quoted the following, which are characteristic of the whole paper.

"Progress sometimes takes place unobserved, and I feel that the progress which has been made in the past year on the Uniform Small Loan Bill is not plainly observable. This is due primarily to the fact that in the year which has elapsed there have been few legislative sessions. Another reason is that the progress in the operation of the law cannot be accurately measured.

"I am clearly of the opinion, as the result of my two years' experience, that the only serious opposition which has to be feared in the enactment anywhere of the Uniform Small Loan Law is that of the high-rate commercial lenders who have not yet learned the advantages of conducting business at a legalized standard rate. They continue to be able to work upon the minds of the ignorant so that the enactment of the bill in any state is opposed by the prejudices of those who do not know better, aroused by the opposition of those who think they know too well.

"This is the story of the legislation in Kentucky, where the most active campaign for the enactment of the Uniform Small Loan Law was made. We there met the open prejudices against the legalization of a rate of interest in excess of six per cent. and the covert opposition of the high rate lenders. The prejudiced preferred to have the illegal lenders charge the prevailing rates, as high as five hundred per cent. per annum, rather than legalize three and one-half per cent. per month. For the first time I met the opposition of labor leaders, but when the actual situation

was explained some of the opposition changed to active support, and I have concluded that it requires only personal education to satisfy all but the 'interested' of the need of the rate of interest carried by the Uniform Bill.

"I hope to secure prior to the next legislative session the support of the national labor organizations.

"The Uniform Bill was finally defeated in Kentucky because at the last day of the session the legislators were made to believe that the Uniform Bill was being enacted *solely* in the interests of the money lenders. Accordingly, it is essential that hereafter those in the small loan business should take no part in the efforts to secure the enactment of the Uniform Bill. * * *

"The legislative field, therefore, furnishes little of interest. However, the actual experience in the operation of the Small Loan Law is of great promise. Everywhere the law is being availed of by reputable lenders, both semi-philanthropic and commercial.

"I cannot better illustrate the beneficial results attained under the Uniform Small Loan Law than by quoting a public statement made by James S. Baldwin, assistant director of the Department of Trade and Commerce in Illinois, whom I consider as efficient as any of the administrators of the law, and whose word upon the uniform law should be given as wide circulation as possible. On February 4, 1920, Mr. Baldwin said:

" 'I administer the Small Loan Act in Illinois. It is the uniform small loan act sponsored by the Russell Sage Foundation of New York. After two and one-half years' experience in Illinois I believe it has driven the old-time loan shark out of business there. It is estimated that there are loans aggregating $5,000,000 under this Act in my state.

" 'The minimum old rate obtaining in Illinois prior to the enactment of this law was ten per cent. per month. The uniform act provides for a rate of not to exceed three and one-half per cent. per month. This alone has saved the borrowers in Illinois upward of $4,000,000 per year.

" 'I believe it is a good law and should be enacted into law in every state in the Union.'

"Mr. Ham and I have intended to arrange a meeting of the various supervisors of the Small Loan Law in order that there may be some uniformity in administration and in order that we might learn from them, and they from each other, the practical method of administering it. I do hope that we shall be able to accomplish this result within a short time."

The paper read by Rome T. Calendar, President of the Farmers Trust and Savings Company, Marion, Indiana, "Will Fees Benefit Both Borrower and Lender?," produced considerable discussion. Mr. Calendar referred briefly to the history of the banking business in which he pictured its rise from obscurity to its present enormous development. He contended that the tendency to take care of the big men in preference to the little ones might be repeated in the small loan business unless lenders would more generally make small loans. Here are some of his important statements and his conclusion.

"The business of banking has been legalized and state and government supervised until it has reached the present extensive and dignified proportions. During this process of development and expansion, banks have through their pretentious marble columns, mahogany furniture and display of big figures in their financial statements, continuously striven for volume of business and gross profit, to the detriment of net returns on the capital invested.

"In the meantime, the poor man has learned to look upon a bank as an institution for the rich, and if his meager sum is left with it upon deposit, it is to be loaned to the well-to-do and no provision has been made for him to borrow, in case of need. Hence, the impression that a bank is a place for a poor man to deposit and the rich man to borrow. Such impression, frequently causes the man who seeks a loan, to enter the bank in fear and trembling, expecting to be refused.

"This condition has been brought about by their strife for volume, to enable them to pay their depositors almost as high a rate of interest as they charge for loans, depending upon the small margin of profit on the large volume of business, to pay operating expenses and yield a profit upon the invested capital. To make it possible to operate upon such a small margin of profit, the highest class of security must be obtained that all possible chance of loss be eliminated and the operating expenses reduced to a minimum. Therefore, since it requires the same amount of expense to investigate an application for a small loan that it does for a large one, the tendency would be for a bank to neglect the small ones and encourage the large ones. It does not require much reasoning to ascertain that ten investigations to make ten one thousand dollar loans are more expensive than one for ten thousand dollars to a borrower who furnishes unquestionable security.

"Such banking methods have not only made the opportunity for the licensed lender, whose business is to loan the neglected man and who welcomes and encourages him to borrow, but, accelerates our business, by their continuous scramble for volume and neglect of the small borrower, encouraging the loan man to take the place with the poor man that is held by the banker for the well-to-do or the large borrowers.

"When the licensed lender is loaning for the interest only, which is more or less, according to the size of the loan, and his operating expenses are composed of similar charges to that of the banker, will he continue to encourage the man who has security for, and can only borrow a few dollars, or will he, like the banker, encourage the large borrower and neglect the small? Will he not learn, as he operates and figures his cost, that it is more economical to loan one man three hundred dollars, than to loan ten, thirty each? Especially since the average three-hundred-dollar borrower gives better security and less trouble than the thirty-dollar one.

"As it has been shown that the licensed lender is taking the place with the small borrower, that the banker holds with the large one; and that the banking business has outgrown its usefulness to the small borrower, opening the field for and encouraging the chattel loan business. Is there not danger, with our business operating under the system of a fixed rate of interest and no fees, encouraging the larger loans, neglecting the small ones, and thereby failing to serve the small borrowers, who need it more; of opening a gap for a rival business? A petty lender with small capital could, by charging fees or a higher rate, take care of such neglected business at a profit, and if the licensed lender who does not want the little loans, turns away and to him such, winking at his law violations, won't he soon become a menace to be reckoned with?

"If a fixed or graduated fee or a graduated interest rate would make the small borrower welcome and protected by the reputable licensed lender from the unscrupulous law violator, who by imposing upon such borrowers, might cause a renewed attack by the public upon the lenders as a whole, and reflect upon the established reputation of the legalized business: Would it not be well to take the banking business as a criterion and guard our business from entering that struggle for volume; leaving the gap for a rival business, to the detriment of the small borrower, who needs our service most, and charge reasonable fees or graduated interest rates, or both?"

The discussion which followed Mr. Calendar's paper, in which Messrs. Watts, Woll, Mueller, Wood, Hougham, Mattingly and Blumberg participated, showed that while there was a tendency at the present time to extend a $20 or $30 credit to the people who formerly asked for $5, $10 or $15 loans, the encouragement of a fee in addition to the 3½% per month rate would bring about the abuse of which small loan conditions have been purged since the enactment of the Uniform Law. It was pointed out wherever a fee or a graduated interest rate was allowed, unscrupulous lenders have taken advantage of it so that the rate on small loans was excessive. It was agreed that loans less than $25 were not profitable to make, but that the rate on larger loans compensated for the loss on the real small loans. A number of members said that they made loans as heretofore in amounts of $5, $10 or $15 and extended the same service to those who required small amounts as to those who sought the larger amounts. A resolution was adopted, encouraging all members of the A. I. L. L. A. to make small loans of $15 or less and requesting that their advertising and printed matter be worded accordingly.

"How Can Our Literature Be Best Distributed to Educate the Public?" was one of the general subjects for discussion to be taken up at this time. Messrs. Keeney, Rose, Broughman and Mueller explained their experiences from the standpoint of getting business. Mr. Baker said it depended entirely upon what class you wanted to reach. For general propaganda, he suggested that the address of Governor Cox before the Ohio Loan Association last February be distributed to a selected list of newspapers. Mr. Blumberg cited as an illustration, the effort of his son to combat fake remedial publicity. The discussion proved that conditions are changing and

that some of the old methods of getting business are being discarded and in their place, more dignified business appeals are being made. With respect to national publicity, the thought was expressed that public libraries, business men's organizations, welfare bodies and the newspapers were the best channels through which our educational publicity can be distributed.

In the evening from 8.30 to 10.30, the Indiana Association gave a dance in the Assembly Room. This feature of the program was participated in by many and very much enjoyed.

On the opening of the Convention Tuesday morning, R. F. Hartz, of Indianapolis, called the attention of the members to the publicity work that was being done in regard to the Convention. Two reporters were on hand most of the time and as the result of Mr. Hartz' efforts, some good news items appeared in conspicuous places in the Indianapolis newspapers. He suggested that clippings from the newspapers be taken home and repeated in the members' local papers.

Harry E. Clark read an excellent paper prepared by Edgar P. East, on the subject, "A Business Success vs. a Business Institution." Among the many interesting statements contained in this paper, we quote one, which we believe needs greatest emphasis.

"The purpose for which the National and State Associations were formed, as we all know, was to bring about a better understanding, between the lenders, public opinion, the lawmakers, high officials, welfare societies, writers, etc., and to find a coöperative working basis upon which all those interested in this important financial branch of the National monetary system could associate themselves with confidence in each other, the result of which brings us together here to-day from far and near. Of course, as in all other lines of endeavor, the few have had to carry the burden of the work and expense, while many have been satisfied to sit by, lending neither financial or moral support, yet enjoying the fruits of the labor of others."

Dr. Mueller's paper entitled, "Modern Scientific Efficiency and the Business of Industrial Banking" was filled with many practicable suggestions which, if adopted are bound to be beneficial to all members in getting the most out of their business and their people. In our limited space, all we can do is to make a brief reference to the character of this paper and say that everyone should read it from end to end when it is published in the Year Book. Here is Dr. Mueller's slant:

"Is it possible to predetermine the essential qualities for positions? Yes, we can make an elementary beginning by specifying health, intelligence, honesty and industry. The right man in the right place is no easy job; it is the biggest problem there is. By actual test three-quarters of all workers including executives are badly placed, while only thirty per cent. of applicants are unemployable. Here are some principles that have worked out satisfactorily.

1. Promote from the ranks, because collectors or appraisers make good loan managers.

2. Don't keep poor managers.

3. Don't hire men who have bad habits.

4. Hire only men who have good appearance.

5. Give employees a chance to educate themselves.

6. Employ appraisers with a view to their becoming managers.

7. Don't hire men who change positions too often.

"Having analyzed and through the process of elimination made the selection of your employees, your attention next should be to consider as critically the conditions under which he or she is expected to labor and for how many hours. The office should be conveniently arranged with plenty of light and fresh air. Desks should be placed with due regard for natural light, free from draught, so there may be a maximum of effort with least fatigue. For example, the cashier or stenographer's desk should be within view of the pay window and as close thereto as possible saving unnecessary steps. Natural light is essential. Eyes tire more quickly and bring on general fatigue under artificial light, producing lessening effort and increasing opportunity of error, indifference or irritability. Anyone watching a typist write will note the loss of the number of words that could have been written had she not stopped to correct the mistake. Her time is costing real money. Efficiently operated, two stenographers can do the work of three otherwise directed. A good stenographer, a good office boy and a set of modern mechanical devices will do the work of three ordinary stenographers, and do it better. This has been proven. A $20 clerk is usually a better investment than three $12 ones, and so on proportionately."

A. L. Weinschenk in forceful language painted an interesting picture in his discussion of the subject, "The Evolution of the Industrial Loan Business in Illinois." Those who followed the reading of his paper at the Convention and those who read it hereafter printed in full in the Year Book must agree with his interesting observations, some of which are quoted in the following lines:

"And now in this 20th Century, what was once considered an outlaw is now regarded as a necessary essential industry, filling a much needed gap between charity and high class banking and assisting the person in immediate need to enjoy that ease of mind to which he or she is entitled. While it is true that there were heartless, unscrupulous, grasping and unreliable individuals engaged in the business before the enactment of the present Statute, it was that class that spurred the authorities to greater efforts for betterment of conditions, for the honest, reliable and careful lender needed no Law as he conducted his dealings intelligently and with the proper sense of morals and according to the Law then in force. The filthy, besmirching cartoons and writings against the business emanated from the minds of those ignorant as to its principles, its inner workings and its necessity and created all the more prejudice in the minds of those who had never found it necessary to call on the money lender for relief in an emergency.

"The business as it exists today, now that lawmakers have governed its conduct, is regarded as highly essential, the rate more fair to the borrower than to the lender and is in the hands of high class intelligent business men who have engaged in it from a standpoint of becoming public servants and that of being in a legitimate industry, to obtain a fair return on their investment secured by recognized legitimate paper.

"The Small Loan Act has had its proper effect in Illinois, as well as in other States, and has at last recognized the honest efforts of the trustworthy men engaged in that enterprise; it has driven from the folds the nefarious class and has given just protection to its citizens. The business was in passages that lead to nowhere—the evolution of the Industrial Loan business in Illinois has taken over forty years, but it has at last reached that level to which it is entitled; let everyone engaged in it strive by act and deed to merit the confidence the different State Legislatures have reposed in its principles and ever and anon endeavor to keep it up to the standard of its brother industries."

That question, "What is a Fair Return on An Industrial Loan Investment?" was well answered by Messrs. P. L. Alberse and H. T. Mattingly, both of whom read interesting papers on this subject, treated from different angles. Mr. Alberse considered it from the standpoint of the prospective investor and illustrated the difficulties with which the commercial lender is confronted in marketing his paper to secure capital. He showed by the use of other people's money, banks were able to make large returns for their stockholders. Analyzing the various classes of people who have money to invest, he said none except those philanthropically inclined were disposed to take the chances involved in an investment in the small loan business with all its risks, unless twenty per cent. per annum was held out as a possible return on the money invested.

Mr. Mattingly's conclusions were expressed as follows:

"Our business being a hazardous one, and extremely so with the unsettled conditions of our country still with us, makes it very hard to figure what an investment of the average loan office WILL PAY. The laboring man of America who is the very rock upon which all businesses are built, for some reason or other, is still unsettled and is constantly moving from city to city, and with him often goes a large loss to some of us. With all the world abnormal, we are not exempt. To-day and for the last several years we have been making abnormal loans, both in size and quantity, and perhaps quality. A Government report recently issued shows more money in circulation and consequently more credit than ever before in the history of the country. The buying power of the population has not been reduced, but self-control and good sense have increased. This, as I see it, means a sure return to all businesses of normal conditions.

"I, personally, think that our present law with its three and one-half per cent. a month interest is the nearest and fairest to both lender and borrower that could be worked out by human man.

WHAT IS A FAIR RETURN ON AN INDUSTRIAL LOAN INVESTMENT? A strict compliance to the UNIFORM SMALL LOAN LAW with its present rate will net a fair and reasonable return ONLY on an industrial loan investment."

Everyone was interested in what Charles R. Napier, Esq., had to say on the subject of "The Value of Membership in National, State and Local Business Men's Organizations," because it is pretty generally recognized now that to be a live wire in any community, every business man must connect himself with the available organizations. Mr. Napier illustrated very forcefully the advantages that it had been to lenders to be connected with the Chicago Association of Commerce, and the Illinois State Chamber of Commerce, because when the famous "Work or Fight" order was issued during the war, our business was declared essential and everyone engaged in it, not liable to have deferred classifications changed on account of the occupation in which they were engaged.

At the conclusion of Mr. Napier's paper, a general discussion on the advantages of membership in the Chambers of Commerce, Rotary and Kiwanis Clubs took place, Messrs. Hancock, Watts and Tyson telling of some very interesting experiences. Each speaker encouraged all members to join these organizations and take an active part in its affairs and thus prove to the people of his community that he is a useful citizen.

"The Michigan Situation" was the title of a paper prepared by J. E. Ryan. In the absence of Mr. Ryan, the National Secretary read this interesting account of conditions in Michigan. The paper recounted in detail the history of remedial legislation in Michigan, and ended with the statement that the Uniform Bill was defeated in Michigan in 1919 on account of the efforts of the high rate lenders up the State. Mr. Ryan expressed the hope that the next effort, beginning in January, 1921, would be successful in enacting the Uniform Law.

At the time the subject, "Ground Floor Versus Upstairs Quarters," was announced for general discussion, it looked as if there was nothing to be said on this subject, but it was not long after Mr. J. H. Aufderheide rose and made the statement that upstairs quarters were preferable to ground floor locations because of the privacy afforded patrons, that everyone wanted to talk on the subject. Mr. Kehr ventured the opinion that the time had come when our patrons should be educated to feel that they had nothing to hide in making a small loan, and that it was just as legitimate and proper for a person without bankable security to walk in a small loan office to-day to negotiate a loan, as it was for a big business man to walk in a bank on the ground floor and do the same thing, only perhaps in different proportions. Mr. Napier, of Chicago, supported this view, and expressed the wisdom of bringing the business into the open. He was followed by Messrs. Slyh and Gifford of the Community Collateral Loan Company of Toledo, both of whom said that ground floor locations were preferable because they afforded publicity with which upstairs quarters could not cope. Mr. Gifford became quite dramatic in explaining his identification with the business and said he could not be connected with it unless it was open to the "sunlight of publicity." Dr. Mueller contended that upstairs quarters were preferable because it afforded lenders convenient central locations which they could not afford on ground floor locations because the rent was too high. Mr. Watts said the organization which he represented had upstairs quarters in central locations but that he believed the time might come when some of the dreams of the business might be realized and that it would be known and quartered in small loan banks in ground floor locations. Messrs. Woodley, of Toledo, and M. L. Andersen, of Mansfield, as well as J. Fred Anderson, of Springfield, Ohio, participated in this discussion; Mr. Woodley giving as his experience that his business in Pittsburgh increased by moving from a ground floor location to upstairs quarters in an office building, while the Andersons both related very satisfactory experiences from ground floor locations.

"A Book of Endorsements" also suggested an interesting topic for discussion. It was stated that the publication of books of endorsements had been effective in the campaigns in Connecticut and Georgia in the enactment of the Uniform Law, while it had failed to accomplish the same results in Kentucky. The purpose of this discussion was to endeavor to find out whether it was desirable to publish a Book of Endorsements for national use. Mr. Harbison expressed the thought that the expense would not justify the return, and advocated a book for each local campaign. Mr. Huettmann thought that it would be a good idea to print the names of the individuals and organizations that endorsed the bill when it was introduced in the legislatures, with the statement that the original letters could be had upon application at the National Secretary's office.

The question "Shall a Charge Be Made for Foreign Collections?" was disposed of in the same way as it was two years ago. After Mr. Zumpfe made a motion that a charge of 10% be made for collections on foreign accounts which was amended to read 25%, and a discussion on the motion and the amendment had gone along for a while, Dr. Mueller moved that the motion as amended be laid on the table, which was seconded and carried.

Promptly at seven o'clock Tuesday evening, September 28, the doors of the Riley Room at the Claypool Hotel were opened to receive the members and guests for the never-to-be-forgotten banquet. It may interest those who were not in attendance, to know that the Riley Room is named in memory of the late James Whitcomb Riley, and throughout the room on the walls can be read quotations from many of his famous poems. The room itself was gorgeously decorated with flowers, and music was in the air. Each person was given a souvenir of Riley's poems, and the menu card was handsomely printed and illustrated with a very good likeness of the late poet.

During the time the banquet was being served we were entertained by the Hoosier Harmony Trio, consisting of Messrs. Hoffmeister, Henderson and Tilson, and by Mrs. Arnold Spencer, Soprano. Pasqualli Montanni's Orchestra furnished the music.

At about the time the banquet had been concluded, and Toastmaster Stratton had announced that Honrable Li Chung, Shanghai, China and his interpreter Secretary, Dr. S. F. Mochelle were awaiting in the lobby of the hotel, he appointed Messrs. R. C. Aufderheide, Baker and Colonel Pond to go down stairs and escort the distinguished gentlemen to the banquet hall. Pretty soon the much honored committee appeared at the banquet hall with a little yellow fellow of the Mongolian race, apparently about the age of thirty, wearing a pair of large tortoise shelled glasses, accompanied by a handsome, stalwart American. Everybody in the banquet room rose and applauded as a mark of courtesy to these distinguished gentlemen. No time was lost in escorting them to the speakers' table where they were honored with places to the left of the Toastmaster. The Honorable Li Chung smoked a cigarette and looked about the room and noticed that everybody had their eyes on him. The Toastmaster introduced his secretary who briefly explained that the Honorable Li Chung would deliver a speech in his native tongue in which he would tell us how happy he was to be with us and that he would conclude by telling us how our business is conducted in China. Well, Li Chung got up and sang his little song which nobody understood and before his secretary could finish interpreting what he had actually said, what seemed to be a demented individual rushed into the banquet hall and yelled, "Let me at that Chink, he's got my shirt. I want my shirt!" But he didn't get the Chinaman because we had in the room in the making, a Sergeant-at-Arms, whose ability we had never suspected before, for Colonel Pond sprang up from his seat which was near the door and grabbed the individual who was lacking his shirt and started to put him out, when Li Chung's secretary arose and said in apparent anger, "You have insulted one of the greatest men in the world," which he followed by saying to his Chinaman pal, "Let's go and get his shirt." Shortly after Dr. Mochelle and his Chinaman protegee returned to the banquet hall. The interpreter said the Chinaman would sing a song in his native tongue, after which he sang in good English with a good tenor voice, a familiar American song. Dr. Mochelle likewise favored us with a solo in English, although he announced that he would sing it in some other language. Not until then did we, and I mean by that everyone except the small committee which had perpetrated this conspiracy, know that we had been sold, and that we had merely been favored by two of the cleverest entertainers in the country.

Great applause greeted the efforts of Miss Elsie C. Hancock, daughter of the Treasurer of the Indiana Association, W. R. Hancock, for her readings, "A Scene From Seventeen," by Booth Tarkington, and "Woodticks" by Ben King.

No words which the writer might possess could do justice to the admirable addresses of Judge James E. Collins, of Indianapolis, and Senator John Dailey, of Peoria, Illinois, but these addresses were forceful and are bound to have a wholesome effect not only among our own members who attended, but upon others who will have the privilege of reading them verbatim when they are published in the Year Book.

Mr. R. V. Barto, Chief Examiner of the Chattel Loan Division of the Department of Securities, Columbus, Ohio, made a brief but interesting speech.

During the banquet our esteemed National Chairman and Toastmaster kept everybody in a happy mood with his original humor. No other speeches were made because it was believed that the eminent speakers who addressed us had given us such an intellectual treat, nothing more was wanted to complete the most successful occasion of the kind ever held by our organization.

On Wednesday morning, September 29, a number of subjects for general discussion were taken up, among them, "Automobile Finance," "Federal Income Tax Problems," "Group Life Insurance for Employees," and "How Can We Best Promote the Welfare, Interests and Scope of Action of the A. I. L. L. A.?"

Mr. Teel led in the automobile finance discussion and brought out much interesting information in regard to loans on automobiles.

In Mr. Huettmann's paper, he answered questions on income tax problems which helped many members to better understand their responsibilties to the Government in this matter.

Mr. Stroup, of Michigan, started a discussion on the limitation of loans to $300 or less, by inquiring why it was that the limit was not placed at $500, as he stated there is a demand for larger loans. This was answered with the statement that in order to properly classify the business and correct the conditions which existed, it was necessary to write a law that would be constitutional when tested out in courts. It was believed by the lawyers who were consulted when the original draft of the Uniform Bill was decided upon, that the amount of loans that could be made under the law which sought to regulate the business, would have to be fixed at $300, especially if they were to carry a rate of 3½% per month.

Mr. E. T. Binns, of the Bryan Utility Bureau, Bryan, Ohio, and Max Blumberg took part in this discussion also.

On the subject of advertising and automobile loans, E. E. Beyer, of Cincinnati and B. H. Thuma, of Columbus, participated.

Judge Dyer made a good speech in which he appealed to the members to support the National Association and pointed out practical ways it could be done. He said we need more members and we need legislation in some states where the business is not yet properly regulated.

The Nominating Committee then made its report and recommended that those selected should be elected. The Chair asked for other nominations on each of the several offices to be filled, but none were made, so a motion to close the nominations prevailed. The Secretary was directed to cast the ballot for the following: National Chairman, C. H. Stratton, Sullivan, Indiana; National Treasurer, J. H. Aufderheide, Indianapolis, Ind.; National Secretary, G. W. Kehr, Harrisburg, Pa.; Chairman of the Committee on Legislation, C. H. Watts, Philadelphia, Pa.; Finance Committee, J. H. Dyer, Columbus, Ohio; Auditing, R. M. Rutherford, Louisville, Ky.; Publicity, W. G. Wood, Providence, R. I.; Law, F. R. Hubachek, Minneapolis, Minn.; Membership, L. E. Baker, Chicago, Ill. The first five named constitute the executive committee.

I. Fred Anderson then arose and said that one important office had been overlooked in the election which had just occurred, and that Ohio, where all the distinguished people come from, had a man to propose for this office. He said the events of the banquet had proved that their candidate was far superior to any other that might be selected. He named for Sergeant-At-Arms, Colonel D. H. Pond, of Cleveland. This nomination was seconded by representatives from all the states represented, each casting a solid ballot for Colonel Pond. After Colonel Pond's election, he was escorted up to the National Chairman who administered the oath of office and presented him with the weapons of his office which consisted of a floor brush.

On the subject of newspaper advertising, W. G. Wood suggested that all members in every city arrange their advertising by groups with some appropriate phrase or slogan to distinguish themselves from non-members; for example, he said if all members would go together into a group their advertising might be inserted in a border, and a statement that the advertisers in the enclosure were members of the A. I. L. L. A. which stands for the improvement of industrial loan conditions.

There being no further business for the Convention to transact, it was adjourned at noon.

During the afternoon the new Executive Committee, consisting of Messrs. Stratton, Aufderheide, Kehr, Dyer and Watts, met at the room of the National Chairman at the Hotel Severin and agreed upon a program of activities for the coming year. It includes the employment of a Field Secretary to increase the membership, to look after the legislation in the field, particularly in states where adequate legislation is still needed. The program also provides for meetings and conferences with welfare organizations with the view of making progress in the movement to improve industrial loan conditions everywhere.

Edgar P. East stopped off at Erie, Pa., en route to New York and asked R. H. Hubbell who had never attended a convention before, how he liked it. Mr. Hubbell replied, he would not have missed it for a thousand dollars.

INDIANA.

In the *Terre Haute Spectator*, under date of September 11, with the caption, "Will Invade Loan Sharks' Field," our attention is called to the following misleading publicity, especially that paragraph set in italics:

"By the end of next week the Hawkins Mortgage Company will be open for business at 26 South Sixth, operating as the Welfare Loan Society. Delays have been caused by a strike of Chicago cabinet makers working on the new furniture. It has been decided to begin business without waiting for all the furnishings.

"This company is to do a chattel loan business. It is semi-philanthropic in its nature, for small borrowers, something like the Morris Plan, yet not conflicting with the older institution.

"The Morris Plan is known as a signature bank. Two endorsers are required on every loan, the loans being for smaller amounts than national banks or trust companies will make.

"With the Hawkins Mortgage Company money is loaned on household goods and other personal property that would not be taken as security by either the old line banking institutions or the Morris Plan. It is a relief from the loan sharks for those who have real need for ready money in small amounts and have nothing but personal property holdings to offer for security.

"The legal interest rate is 3½% a month for this class of loans. Loan sharks who formerly charged 10% a month, still doing business in Terre Haute, now exact almost the old rate through sharp practices. They receive their full 3½% per month, they charge the interest on the entire amount of the loan reduced in weekly or monthly payments, until the loan is paid in full. Then they have special inspection and appraisal fees, and other fees for making out papers, that make it a sorry day for the unfortunate ones that fall into their hands.

"No appraisal or special fee of any kind is charged under the Hawkins plan. As the principal is paid the interest is reduced. The rate is 2½% a month—one per cent. a month less than allowed by the Indiana statutes.

"There is a high cost connected with small loans and a greater risk in loaning on personal property. One loss wipes out the profit on many loans, and as the amounts are very small and the care in making a small loan even greater than that required of a bank where every applicant has some recognized business standing, the overhead expense is high. So the 2½% interest charge makes a net yield on the $100,000 capitalization just about in proportion to the best managed old line banking institutions.

"The Hawkins plan offers a good investment for the men holding stock, yet it serves a great need of those who cannot borrow on meager security. It gives everyone a chance to raise money at critical times when there is a demand for immediate cash and to do it with the same self-respect that a business man goes to his bank.

"The Hawkins Mortgage Company has its headquarters in Portland, Ind. The parent company holds fifty-one per cent. of the stock. Local investors, many of them the best known Terre Haute business men, have the other forty-nine per cent. From the local investors a board of seven directors is to be chosen. Local branches are known as the Welfare Loan Society. There is to be a big chain, and many local branches are already established. Rev. A. M. Hootman of Greencastle is organizing the Terre Haute branch."

Here is one of our prominent member's answer in the same paper a week later:

"There are no loan sharks in Terre Haute," says Benjamin Blumberg. "Every loan company operating here is on an absolutely legitimate basis. The profits of the business are not what people think they are. There is many a business that would not be satisfied with net profits made by chattel money lenders. *We make not more than 10 or 12 per cent. net on the money invested, a much less net return than is made by many banks and businesses conducted by individuals and companies.*

"The four principal companies operating in Terre Haute make no charges for special fees and interest is reduced as payments are made on the original loan. Interest charges are made on daily balances.

"Small loan banks have a limit of $300 for any one loan. Many of the loans are for $10 and $20. The average loan is $78. There are 4,000 or 5,000 borrowers in this class in Terre Haute and Vigo County. These are people who can not go to banks for help when they are hard pressed for money. *They need this help just as much as the men that go to a bank and borrow in bigger sums.*

Automobiles Popular Security.

"Security offered is often automobiles. From 10 to 15 per cent. of our loans have automobiles as at least part of the security. Ten per cent. have cattle and other live stock as part security. Seventy-five per cent. have household goods for security.

"The Indiana law allows licensed chattel money lenders a rate of 3½ per cent. a month. In many cases we charge less. In some cases where the credit is extra good and paying ability is above the average the rate is two per cent. a month.

"There is a heavy overhead in making small loans, so the interest rate must be higher than charged by a big bank, where even a quarter of a per cent. difference in rate may mean hundreds or thousands of dollars. *It costs even more to handle a $78 loan than a $7800 one.*

"Chattel money lenders are viewed as a legitimate business, filling a real need. There is nothing of the old 'loan shark' about the business. *If my father had to be ashamed of the business he is in or I had to be, we wouldn't be in it. Our money in other businesses would bring just as big returns if we gave our time to it.*

Favored Legal Rate Law.

"In the old days there were 'loan sharks.' *The men conductiing this business on a fair, legitimate basis were the hardest workers for the passage of the legal rate law by the Indiana legislature.* They wanted to rid the business of 'loan sharks,' which resulted in the good being confused with the bad.

"Three loan companies in Terre Haute are members of the Terre Haute Licensed Lenders' Association, which in turn is a member of the Indiana State Lenders' Association. The Indiana organization belongs to the American Liensed Lenders' Association. *The national association is working for the passage of a law similar to that in force in Indiana in every state in the Union.*

"In Terre Haute the Indiana and Security Loan Companies are owned by the Blumberg interests, the Terre Haute Loan Company by J. H. Aufderheide, of Indianapolis, and the National Loan Company by O. W. Storr, of Muncie. The National is not a member of the Terre Haute Association, but it complies with all laws.

"Organization members police their own districts. They watch closely for usurious interest or unfair practices. When they are found they report them to the auditor of state and furnish the evidence for prosecution to keep the business as a whole clean."

CONVENTION ECHOES.

CHICAGO, Oct. 5, 1920.

Dear Mr. Aufderheide:

I am just now recovering from a hazy condition, which was caused by the extreme brilliancy of the National Convention, brought about and carried on by the generalship and ingenuity of yourself and associates. I have a very definite idea of the amount of thought and effort which was necessary to attain such a high degree of success and trust you will accept my sincerest congratulations. Such an affair, so conducted, is not only a crowning credit to you and the Indiana Association, but is a wonderful boost to the interests of the business at large and the good impressions made will be lasting and productive.

For the unselfish manner in which you expended both effort and money to make the Convention a social and business success, you have my deepest admiration, but my sympathy goes out to that Association, which will be called upon next year to maintain the standard you have established.

Very truly yours.

L. T. BAKER.

SPRINGFIELD, OHIO,

Oct. 5, 1920.

Dear Mr. Kehr:

I consider that this convention from a standpoint of practical things as well as entertainment, surpassed any convention which I have ever attended. I think every one felt that The National Association has a real purpose to perform and that the future holds large things in store for it.

With kindest regards, I beg to remain

Yours very truly,

J. FRED ANDERSON.

LOAN SERMONETTES.

OMAHA, NEBRASKA,

Oct. 6th, 1920.

Dear Mr. Kehr:

THE INDUSTRIAL LENDERS NEWS is getting to be a really honest to goodness interesting and valuable bit of reading matter to every reputable money lender in the U. S.

Permit me to suggest that a department of "Loan Sermonettes" be inaugurated and made a permanent feature. I will be glad to contribute to this column from time to time and will start the ball rolling with the following.

"It isn't the motto that hangs on the wall, but the motto YOU LIVE that counts.

"If the motto says, 'Smile,' and you carry a frown! 'Do it now' and you linger and wait; if the motto says 'Help' and you trample men down; if the motto says 'Love' and you hate; you won't get away with the mottoes you stall; for truth will come forth with a bounce—it isn't the motto that hangs on the wall, but the motto YOU LIVE that counts."

AND

Don't let the word courtesy be found only in your stenographer's dictionary.

Very truly yours,

J. H. WASSERBURGER.

FIELD SECRETARY WANTED.

It is the purpose of the executive committee, when it meets in New York in November, to consider applications for the position of field secretary of the A. I. L. A. The man selected for the position must be one who has no financial interest in the industrial loan business, and be prepared to give all of his time to the work. His chief duties will be to sell memberships in the association and legislation in states where it is still needed. He will have to be a resourceful, aggressive and tactful man to measure up to the requirements. Practical knowledge of the industrial loan business is not essential though it would be helpful in understanding the work to be assigned to him. He should be able to express himself briefly and forcefully. Any man between the ages of 25 and 50, who thinks he can qualify for the position should file his application, giving details and experience, together with his photograph, with the undersigned. The position will probably pay $2,500 to $3,000 per annum, but the man who can get results will not have to remain at that figure. His temporary location and preliminary training will probably be at Harrisburg, Pa.

Address, National Secretary, Box 778, Harrisburg, Pa.

INDUSTRIAL LENDERS NEWS

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1922

JAMES A. COLLINS, JUDGE CRIMINAL COURT, MARION COUNTY, INDIANAPOLIS.

In addressing the sixth annual convention of the American Industrial Licensed Lenders Association in Indianapolis, September 28, 1920, Judge Collins spoke as follows:

"Mr. Chairman, and by the grace of the 19th amendment, Fellow Citizens:

"When I accepted the invitation to speak on this occasion I informed your committee that I would speak upon "Social Justice." I know of no more hackneyed phrase that could have been selected and yet the responsibility for the selection of the subject is mine, and not that of the gentlemen whose guest I am on this occasion.

"The thought in connection with this meeting was to present to you two of the methods by which social justice is established and particularly social justice that reaches that great mass of people who make up the borrowers from those engaged in the business of petty lenders.

"I shall speak first of social justice established by the enactment of legislation, and second of social justice established through the exercise of the power of a judicial office.

"The legislature of 1913 enacted the law licensing petty money lenders and making the business of chattel loans respectable. This law was among the first of its kind to be enacted in the United States and has blazed the way for the enactment of similar legislation in other states.

"Prior to 1913 a constant war had been waged against the chattel mortgage sharks, but with little or no success. Slight relief was procured in 1907 when the legislature enacted a law compelling all persons having chattel mortgages to foreclose to bring the action in the circuit or superior courts and there obtain a judicial decree upon which a proper levy could be made. We can all recall the vicious conditions existing in Marion County before the passage of the law of 1907. Up to that time every Justice of the Peace Court was a court of equity and the constable the high sheriff. The only legal proceeding necessary to foreclose a chattel mortgage and sell the property was to institute a suit in replevin and arm the constable with the writ. The misery brought on by these high-handed proceedings continually provoked assaults upon the business through the public press and created such strong public sentiment against the business that the legislature of 1907 promptly brought the relief above referred to. This relief, however, did not strike at the real evil in the business, and that was the usurious interests.

"With the growth and development of the State the business of chattel loans increased by leaps and bounds. That legislation must be enacted to curb the growing evils of the business was being urged at every welfare conference in the state.

"In 1912 a group of citizens in Indianapolis, headed by the late Charles W. Fairbanks, organized The Indianapolis Public Welfare Loan Association to fight the loan shark evil. This organization made possible the legislation of 1913. While there was opposition to the bill introduced into that session of the legislature, public sentiment overcame it and the Hughes bill became the law.

"Immediately upon this law going into effect the majority of men engaged in the chattel loan business complied with its terms and became licensed money lenders of the state. This law was far from perfect. However, it was placing the business on a legitimate basis and was winning to its support many of the men who had bitterly opposed its enactment.

"In 1917, Mr. Arthur H. Ham, representing the Russell Sage Foundation, came to Indianapolis and called a meeting of men interested in the petty loan business and presented for their consideration a bill that had been carefully prepared to take the place of the law of 1913. This bill had many improvements over the existing law and provided for 3½% per month as a uniform rate of interest.

(*Continued on page 2.*)

JOHN DAILEY, MEMBER ILLINOIS SENATE, PEORIA.

Senator Dailey delivered the following address before the sixth annual convention of the American Industrial Licensed Lenders Association, September 28, 1920:

"Mr. Toastmaster, Ladies and Gentlemen: My only explanation for being on this program this evening is, that I am a very inconspicuous member of the Illinois Legislature, and that I contributed whatever lay in my power to the accomplishment of what I considered to be one of the best pieces of legislation that the General Assembly of Illinois has enacted in recent years. I refer to the enactment of the licensed lenders' law. (Applause). I am always very, very sensitive about any one telling in public that I am a member of that very much abused body, possibly undeserved, the Illinois Legislature. Such reference causes me to think of the story of Mark Twain in the 'Gilded Age.' He tells of a gentleman who came from the land of my ancestors, he landed in New York and, after a few weeks' sojourn, he was put upon the police force. When he acquired a little capital he started into the now outlawed business of being a corner saloonkeeper. His fortune grew, he became quite wealthy and forgot to observe the strict provisions of the Criminal Code, Judge. (Laughter). And they sent him for a period of involuntary servitude at the State Institution located at Sing

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The National Council is composed of the National Officers, Vice-Chairmen, and Committee Chairmen.

(Continued from page 1.)

"At the meeting arranged for by Mr. Ham I was greatly surprised to see present Mr. John Aufderheide, Mr. Harbison and Mr. Zumpfe, and I instantly made up my mind that they were there to oppose this legislation, but instead of being opponents they were there as boosters. Throughout the legislative session these three men worked diligently to see that this proposed bill was enacted into law. Largely through their efforts this bill became the law of Indiana and the model loan law of the United States. (Applause.) To the lasting credit of these men the petty loan business is as legitimate as any other form of banking. (Applause).

"I am more than delighted that Mr. Aufderheide invited me to be present on this occasion. It is a great pleasure to meet these splendid men and women. Through their efforts this business has been placed on a high plane, and they have made it possible for the humblest borrower in the land to receive the same decent treatment that is accorded the merchant and manufacturer by his banker.

"'The poor we have with us always,' and we will continue to have them, and their needs and wants will never lessen, but thanks to these men the methods of relieving their wants have improved one thousand per cent. This legislation not only removed forever, from this Commonwealth the blighting curse of the loan shark, but established in its stead social justice for the poor and needy. Coincident with the enactment of this legislation there had been worked out in the City Court of Indianapolis over which I was then the presiding judge, a plan for the collection of money fines on installments. Through this plan we attempted to counteract the vicious influences of the loan shark to whom many of the unfortunate were compelled to go in order to obtain the funds with which to pay the fines and costs assessed against them. Particularly was this true in those cases where the wage earner was incarcerated, and his dependents would be compelled to suffer during the period of his incarceration.

"That you may understand me clearly, it will be necessary to explain the working of the law with reference to this class of people. Under the law a person against whom a money fine has been assessed, and what is true in Indiana is true in most jurisdictions, such persons must either pay their fines, have it stayed with good freehold surety, or be committed to the workhouse or jail to lay the same out at the rate of a dollar a day. To illustrate, if two men were charged with a violation of the law, one we will say for speeding—and I was certainly a foe to the speeder—the rates under me were a dollar a mile, with the costs thrown in for good measure,—so that a fellow who went thirty-five or forty miles an hour never repeated a visit to me—and when the fine was assessed in such a case, the defendant would either pay it or have some one stay the same for him. The other person against whom a small fine might be assessed for an ordinary breach of the peace was taken to the city prison, and at the close of court, with some fifteen or twenty more, would be taken to the workhouse or the jail to lay out the fines and costs, not because the court had given him a term of imprisonment, but because he was poor. If that is not imprisonment for debt, I would like to have you define it.

"To remedy this evil I introduced the plan for the collection of fines and costs on installments. I had no chart to guide me. The plan had to be worked out along new and unique lines. I will never forget my first afternoon on the bench. I had before me ten negroes charged with violation of the gambling laws; in other words for playing their national game, shooting craps. (Laughter). The first nine I had no hesitancy in sending on their little journey to the rocks. As I looked over the bench at them I could not help but think, 'They toil not, neither do they spin, yet Solomon in all his glory was not arrayed like one of these'—socks that you could have heard the whole length of Indiana Avenue, and shirts that the New York Central might have selected to illustrate in their folders their four track route. The tenth sat there trembling in his shoes. I said, 'Are you married or single?' and he answered me, 'Yes, sir.' And I asked him, 'Of what does your family consist?' He said, 'Washin' and ironin'.' I said, 'You do not look like a gambler, and I think I will give you a new deal. Now, this is a new plan I am going to work out. I will release you on your own recognizance for thirty days, and permit you to go out and earn the money to pay this fine; at the end of that time you are to report to the sergeant and pay to him the sum of fifteen dollars. When he reports that payment, I will then render my judgment.' The next day at luncheon a friend of mine, Howard Stanton, came to me and said, 'You had our janitor before you yesterday for gambling, and I want to say that he is the best janitor we ever had in our building. He is not a gambler. I do not know the circumstances under which he was arrested, but I want to say this for him, he is a hard worker and so is his wife, and between them they are educating a boy and girl in the high school in Louisville, where they are receiving special training for work among the negroes in the south, and if you can do anything to help him I will appreciate it.' I told him to send the man to me, and I would suspend the fine and costs, and let the money go to help educate the boy and girl in Louisville.

"Briefly, that was the beginning of the simple plan of aiding and helping the poor and unfortunate who daily make up the toll of police duty. During the four years that I presided over that Court I gave this opportunity to pay fines on installments to more than twenty-two hundred persons, and they paid into the Court a total of thirty-four thousand and fourteen dollars without a scratch of a pen for security, demonstrating to me more than any other experience in all those years that what these people needed more than prison bars and cement floors was a helping hand of decent men and women. (Applause).

"The principle of the model loan bill of 1917 was the same as that worked out in the City Court of Indianapolis. Definite payments and a reasonable time within which to pay the same. In fact it did not differ much from the plan by which the newly-weds purchase a cook stove, a dollar down and a dollar a week.

"Even in the court over which I now preside, I permit no man to cross the threshold of the county jail to lay out a fine because he is poor. (Applause).

"This was establishing social justice in the community through the exercise of the powers vested in a judicial officer.

"But we have not established social justice, however, for all of our delinquents, for either they or their dependents are made up of the same class that you know as borrowers.

"That there is great need for the establishment of social justice to meet the problems of those who are left helpless and dependent by the men committed annually to our penal institutions needs no argument. To accomplish this there should be established a plan for the compensation of the inmates of penal institutions. Permit me to digress and say that when this legislation is presented for consideration at the next meeting of the General Assembly I know of no man in Indiana who will be of greater help and assistance than our mutual friend, Stratton. (Applause).

"You all know as well as I do that when the bread-winner is committed to a penal institution there is left behind the helpless wife and children, and it becomes necessary for them to make frequent applications for small loans to tide them over during the absence

of the husband. While the wage-earner is serving his time in an institution the family must fight the battle of life. I recall an incident the other day that brought this problem home to me with terrific force. After sentencing a man to the Indiana State Prison, the wife standing just a little behind him—I did not notice that she had a child with her—but as he was being led away she threw the child on the bench and said, 'You take care of this baby; you have taken my bread-winner from me.' A few days later I noticed a little woman going out of the court room crying bitterly. On inquiry I found she was the wife of a man I had just sentenced, and a few days later I learned that she had become a mother. The little child will have to be reared in poverty because this great, rich commonwealth has made no provision for the father to be a wage-earner while incarcerated. Virginia, Minnesota and Texas are the only states that I know of that have worked out this problem in their penal institutions.

"Under the constitution of this State there is the provision, 'That the penal code shall be founded on the principles of reformation and not of vindictive justice.' For one hundred years this sublime principle has remained a mere collection of words, and we have failed to fully interpret the meaning of this constitutional provision, and apply it in the treatment of those committed to our penal institutions. The State has no right to confiscate the labor of the man behind the walls. The State has no right to hold him for two, three or five years as the case may be, and then at the expiration of his term of imprisonment hand him the princely sum of five dollars and a railroad ticket back to his home. I believe these men should be made wage earners and placed upon a payroll. I do not mean by that that they should come under the supervision of the American Federation of Labor or adopt a union scale, but I do mean that these men should at least, out of the employment that they perform in the institution, and out of the fruits of their labor, receive a sum sufficient to keep a roof over the little family during the period of incarceration; and that the single man should be entitled to the sum of his earnings the day he leaves the institution.

"When I went through the Virginia State Penitentiary some ten years ago my attention was attracted to the men employed in the factory part of the institution. They appeared as industrious as though they were receiving wages, and I said to Major Woods, 'Why is it these men seem to be so busy? And where is the man with the big stick?' Usually there is a man on a high platform with a goad in his hand to keep the prisoners busy. Major Woods promptly answered, 'These men all earn money. They have their task, and when they become proficient and are able to do more than their task, they are then entitled to receive a certain sum. At this time I have some fifty thousand dollars in trust for the men of this institution. Just the other day there came to the prison from Roanoke a young woman who asked for her brother. When he was brought to the office, she expained to him that she had walked all the way from Roanoke, that their mother had died, and the undertaker had told her they could give the mother a Christian burial for thirty-five dollars, and she had come to him hoping that he had that much money to his credit. On investigation we found he had sufficient funds to pay for the funeral and her railroad fare back home.'

"The State of Minnesota last year and the year before paid out something like seventy-five thousand dollars in wages.

"Contract labor has been abolished in our penal institutions. We must go a step further and make it possible for these men to become wage earners. This can only be accomplished by the same influences that made possible the enactment of the legislation of 1917. I considered it just as difficult a task in 1913 to abolish the old loan shark evil as it is to meet this evil as I see it now. There will be many arguments advanced against it. It will be argued that these men behind the walls interfere with a certain class of citizens who labor under the impression that they have the divine right to dictate what the Government shall or shall not do with reference to certain industrial problems, including the one we are now discussing. The day is not far distant, however, when this species of demagogues will be relegated to the rear. (Applause).

"But, my friends, we can never establish social justice for these unfortunates, and they represent, as I said in the beginning, the very class with whom you come in daily contact. I was hoping my good friend, Governor Goodrich, would be here that he might give you his views with reference to this proble It has always been a question in my mind which of us come in contact with the greater number of the poor. I certainly meet them in large numbers. The older I get and the more experience I have, the more I realize we must meet this problem ,and find a solution for it. Whenever the time comes and the opportunity to help enact this legislation, we will have a right hand bower in this organization.

"But, my friends, we can never hope to accomplish the solution of this and other problems so long as we have within the confines of this great country ten millions of people who can neither read nor write the English language. Important as the problem is to Indiana, the greatest problem in this country to-day is the Americanization of the alien. Prior to the opening of the World War these aliens had been coming in great numbers, reaching every port of entry in the United States. We were glad to have them come. We needed them in our large industrial centers, to kill and dress the cattle in our packing houses, to smelt the iron in our steel mills, and to build our railroads. We were utterly indifferent to their presence in our midst. They performed their labor and we were satisfied. Their education and training was left in the hands of the corner saloonkeeper. They only came in contact with the real spirit of America when citizens, awakened to the problem of the community, established settlement houses, and provided night schools. So little work of this kind has been done that as a direct result of our neglect we have in our midst these millions of aliens to whom citizenship means little. The soap box orator has had full sway in implanting in the minds of these aliens ideas of government totally different from ours. The language of the Constitution and the Declaration of Independence is as foreign to them as their language is to us. Unless we Americans awaken to a realization of the dangers of this indifference, the little red school house will give way to the little red teacher.

"In our State there will be an effort made to enact legislation that will prohibit any person from exercising the right of franchise who cannot speak and read the English language. I have often said, and say it again, that no man has a right to the protection of the Stars and Stripes that cannot talk its language. I like the spirit of the negro boy who was standing on the deck of the Leviathan on her return trip from overseas who said as she passed the Statue of Liberty in New York Harbor, 'Good morning, Miss Liberty, I'se certainly glad to see you, and if you ever see this nigger again, you will have to turn around.' (Laughter and applause). He was coming back from all the terrific experiences of life in the trenches, and the hardships of the war to the best land under the shining sun. And that is the spirit that ought to go out from all these conferences of American people who go from State to State to attend these conventions. Permit me to leave this thought with you; that if we are to make any progress along the lines of social justice we must show and demonstrate to these people first of all that we are solving the problems within our gates, and when we have done that we will then be in a position to take care of the problems beyond our borders. And, in conclusion, permit me to say that we can only find the solution to all of these problems when we have grasped the spirit of Bobbie Burns in his immortal words:

" 'The rank is but the guinea's stamp,
The man's the Gowd'—for all o' that.' "

(*Continued from page 1.*)

Sing. In the due course of time he was released, and like many men in public life who have been maligned and abused, justly or unjustly, he sought vindication by seeking a seat in Congress to which he was elected by an admiring constituency. After a drab and uneventful service in Congress, he returned to New York to enjoy his wealth. Some enterprising person wanted to write his biography, to this he consented, and notwithstanding his residence in Sing Sing, the only thing he asked the biographer to omit from his life's record was the fact that he served a term in Congress. (Laughter and applause).

"So I am really very sensitive about any allusions to the Illinois Legislature. They tell a story about Illinois law-makers. The Chicago and Northern Illinois lawmakers generally on each Monday evening when the legislature is in session leave Chicago on the Chicago and Alton train. It is a sort of legislative special. These lawmakers make their hegira on that train to the city honored by the fame of Abraham Lincoln. There are a great many institu-

tions along this route and one of the lawmakers from the west side of Chicago happened to get into a conversation with a traveling salesman about the different points of interest along the Chicago and Alton road between Chicago and Springfield. He asked this member from the west side about the places of interest. 'Well,' he said, 'the first place is Joliet, where the penitentiary is located; every time I go by Joliet I shut my eyes tight. The next place is Dwight, where the drunks are cured; the next place is Pontiac, where the Reformatory is located; the next place is Lincoln, the home for the feebleminded.' The traveling salesman queried, 'How in hell do any of you get to Springfield?' (Laughter).

"Much has been said of Indiana. Much has been said of Illinois. I would not be true to the sentiments of my heart to-night, in these surroundings where the name and memory of James Whitcomb Riley is honored and revered, did I not offer a tribute of respect to his great soul, to his exalted genius, and to his imperishable memory. The halo of his glory will forever shine upon this rare old State of Indiana. He was the Abraham Lincoln of poetry. He could speak alike, with wondrous sympathy, to childhood, to mature manhood and womanhood, and to old age. James Whitcomb Riley! Such rare geniuses and such rare souls never die. His plain human philosophy is finely illustrated here to-night on this program and on these walls. His 'There ain't no bad folks anywhere' is true among the licensed money lenders and the members of the legal profession. Indiana has given to the world more than its quota of genius and of greatness. When the feet of the fabled Antæus touched the earth he was given untold strength. There seems to be something in the soil of Indiana, and I might say in the environment, too, that gives to Indianians physical, mental and moral power. I have often wondered why most of the great men and women leave Indiana and go over to Illinois to live. Riley explains it in choice verse. He said in Chicago one time at the Indiana Society in his inimitable way, 'But, fellows, Indiana is a leaky state.' It seems though the more you prune and trim the growths of Indiana genius, the greater and the choicer are its foliage and fruitage.

"The first reference I know of concerning money lending comes from Moses, the law giver. In Exodus it is said, if I am not right, correct me: 'If thou lend money to any of my people that is poor by thee, thou shalt not be to him as an usurer, neither shalt thou lay upon him usury.' Ex. 22:25. The same doctrine is promulgated in the Book of Leviticus. Referring to the brother that is poor this authority says: 'Take thou no usury of him—but fear thy God; that thy brother may live with thee.' Lev. 25:36. Those are strong words. Then again in another passage I find the excuse for the existence of the money shark. 'Unto a stranger thou mayst lend upon usury, but unto thy brother, thou shalt not lend upon usury.' Deut. 23:20. There is where discrimination was permitted, there is the origin of the loan shark.

"You know this subject is very interesting historically. I have often wondered why it was that in the bygone ages and even in the time of Christ, the money-lenders chose the temples of religious worship for following their vocation; the Temples of Apollo and the pagan deities were given over at the same time to worship and the practice of money lending. I think both religion and banking suffered by such close association. This also was the practice among the Jews. Don't you remember that the gentlest man that ever trod this earth, the Man of Galilee, flew into a rage and raised 'rough house' over the financial dealings of the money changers; he turned over their tables and drove them out of the temple of worship.

"Judge Collins, I want to say to you I am informed that while you are a very able Judge, and, notwithstanding you are a criminologist of note and interested in social justice, you have detracted somewhat from the glory of Illinois in saying that Indiana was the pioneer state in the enactment of this model law with reference to licensed industrial money lenders. My recollection is that Mr. Harbison and his associates came down to the Illinois Legislature early in 1917, advocating the passage of such a law. If I am not correct I want to be corrected; I do not want to be censorious, but I am a great stickler for historical accuracy in this matter. Now, you have had here in Indiana George Ade and Riley and all that great galaxy of intellectual luminaries, but you cannot take away from the glory of Illinois by saying that she was not first in the enactment of this legislation. (Applause). Am I right or am I not?"

Mr. Barto: "1915, in Ohio, Senator."

Senator Dailey: "I said the model bill, not the Ohio bill. (Applause). The Ohio law is very good, but it does not conform to my views in a few respects.

"I am referring to the bill that Indiana and Illinois have had the good sense to adopt first and second. Now, you have come into a fight between Illinois and Indiana, even though you have all the Presidential candidates, you cannot have the glory in this matter.

"I have just been informed that my statement is inaccurate, while the bill for the model law was introduced in Illinois legislature first, it was enacted into law a few months before in Indiana—I beg your pardon, Judge.

"We had some historical guides in the matter in Illinois. For nearly fifty years in Illinois we demonstrated by the pawnbroker's act that three per cent. a month was not an excessive charge for pledges. We passed a law in 1913, at the solicitation of some of the most prominent men in Chicago, who had given intensive thought and study to this problem of relief of the great masses of borrowers in that great industrial center. This law permitted the incorporation of societies to make wage loans at a rate of three per cent. per month with the provision that dividends not to exceed six per cent. per annum could be declared.

Some of the wealthiest people in Chicago formed a corporation under this law, both as a matter of experiment and relief. This corporation operated until 1917. It was demonstrated that at three per cent. their earnings were not excessive and that such a charge was justified. When the law was passed in 1917, the model law, they said, 'Our work of experimentation is accomplished and three and one-half per cent. with drastic provisions in the law for its enforcement, is eternally right.' (Applause).

"Judge Landis said that the man who under the old regime charged ten per cent. a month was a piker. They were charging from two hundred per cent. to a thousand per cent. a year in Chicago, and he said the people who were doing this were pious New England gentlemen, leaders in reform, religion and philanthropy.

"There was a lot of opposition to the passage of the model law in Illinois. Mr. Harbison and his associates were there and he did Herculean work. Nearly every society in Chicago, and other large cities throughout the State, whose members had given deep thought to sociological matters and who had investigated this particular problem, assisted by the energetic efforts of the metropolitan press, put their strength and their moral support back of the movement, and, notwithstanding tremendous opposition, the law was finally passed. They were all proud to sponsor this great remedial legislation, without doing injustice to the men or to the capital invested in it.

"And the law has worked well. You know this law was tried for a short time before we became seriously involved in the war. It worked well during those normal times. It worked well during the dark days of the war. The Government in connection with the exempted service, recognized this business as an essential business during the war. These men and women engaged in this business were lending money to the fathers and mothers of the boys who were fighting to protect this land from autocracy in Europe and while you were not engaged in philanthropy and were making a fair return on your investment, yet, by assisting the indigent and the needy at home, you were among the great factors in winning the war for civilization and for America. (Applause).

"So this law has worked successfully in times of war and in times of peace. It is working well now these days of reconstruction and in these days of high prices and abnormality. In these trying times this law has worked with marked success and, as I view it, while poverty and necessity are comparatively less in these times, your business has assumed and possesses for the time being, a different phase. Men and women in great numbers are borrowing small sums to go into little businesses, to furnish rooms for renting, and to buy homes on the installment basis, the initial payments frequently being the money received from you. The investment feature is now a striking characteristic of many of your loans. As long as human needs are so many and so varied, there is a place for your business. It has been demonstrated whether in times of peace or in times of war, in normal or abnormal times, in times of plenty or in times of stringency, that your calling is an essentially vital and integral part of the business of America. Its real function is to supply to the poor and needy, to

those in distress, in grief and tears, means when they cannot get from any other place under God's heaven. (Applause).

"The old days are gone. Saint Paul says, 'Old things are passed away, behold all things are new.' You are sincerely thankful. There has never been, in all the history of commercial and business affairs in this country, a greater change in the character and method of handling any business than has been experienced in your business in the last three or four years. But a few years ago this business was generally considered on a low and degraded plane. You men here have raised it from the low level of contempt and disrepute to the high pinnacle of decency, respectability and honor—so it stands today as honorable as any business—as decent as any calling, as reputable as any profession, even including the profession of the practice of the law. (Applause).

"I am not going to bore you with statistical information, only one or two suggestions. We claim that in Illinois we have a very fine administrative system of state government. We were the pioneers in that direction also. (Laughter). And the man who is the pioneer in that reform is not a nominee for President, but he is a big man. I am speaking of Governor Lowden, even though he is not a candidate for President. The supervision of licensed lenders comes under the department of trade and commerce. This department administers the law. Questionnaires were submitted a short time ago to all the licensed money lenders in the State. It is a pretty big state. (We have another advantage over Indiana with her three millions of people referred to tonight. To-day the census says that Illinois has over six and one-half million people; we have not as many poets as you have in Indiana, but we have twice as many folks).

"Well, in the last printed report of the department—I have not this year's report, it has not been published yet—in answer to these questionnaires, 119 out of 139 licensed lenders in Illinois made reply. These 119 lenders had made in that year approximately 71,500 loans. Out of that number there were only 41 foreclosures, 77 ordinary suits, and 33 judgments. The foreclosures only amounted to between seven and eight thousand dollars; the ordinary suits amounted to between $12,000.00 and $13,000.00, and the judgments amounted to almost $3,000,000. There was an invested capital of nearly four million dollars. There is not a wholesale business in Chicago, Peoria or Indianapolis, with one-half the capital invested that you have in the small loan business, but what has had more litigation, more suits, more judgments in number and amount than all the licensed lenders in the State of Illinois put together.

"What does it mean? It means that this law is operating successfully. It means that the poor are not oppressed. It means that your patrons and clients are being treated justly, fairly and honorably, that your record stands in these respects on a parity and, in many cases, above a parity, with many lines of business that have an equal amount of invested capital.

"It has been approximated—and these figures are based partially on statistics—it has been approximated that in the last year in the State of Illinois, by reason of adopting new methods, there has been saved to the poor, to the needy, to the indigent, the princely sum of seven million dollars. In other words, if the old methods prevailed, seven million dollars would have been taken from wage earners and their families. This being true, if we could apply this law to every state in the Union, Illinois containing not quite one-sixteenth of the population of the Union, it would mean a saving of approximately one hundred and twelve million dollars a year for the poor people of America. While you are not philanthropists and don't claim to be, I challenge any business in America to show such progress, such development, such evolution to a higher plane than has been evidenced by yours within the last few years. (Applause).

"You are only beginning. You are experiencing the genesis of a wonderful business; you have witnessed the exodus of the old despised regime. You know there are great opportunities for you men and women to give social values. You know the short and simple annals of the poor. While you are making money you are in a position of greatest possibilties for helping those who need advice and guidance. The Judge had it right. He said that you are bankers. You are bankers in every sense of the term, and, as the years go by, you will find that your business will partake more of the nature of banking. You know now that your clients are putting faith more and more in you. Their confidence in you is growing greater. They will seek your advice in financial matters more and more. It will be your duty to advise them truthfully and properly. You are their bankers.

"I often think that every business is vested with a moral aspect. The man who engages in business and takes advantage of the necessities of the poor, of men and women and little babies; my God, how can he go to his own comfortable home and look his own children in their faces when he has been unjust to the children of the poor. It were better that a millstone were placed around his neck and that he be drowned in the bottom of the sea than cause offense to the least of these. But how is it with you men who have a right conception of the dignity of your calling, when the poor man or the poor woman comes to you? You say, 'Yes, I sympathize with you, I will help you, I will not exact from you, the law protects you, I am your friend.' When the God-like in men asserts itself and you give needed sympathy and advice and aid and assistance to those who are in despair and woe and gloom, you can go home at night with conscience clear and joyous heart, and there will be no tears to stain your pillow.

"That is what I like to think about your business. No business, let me say to you, with all sincerity, no business has greater opportunities for helpfulness, for assistance, for kindness, for sympathy, for justice to the poor, than your business possesses. You should not be satisfied with three and one-half per cent. alone; every day you should embrace your every opportunity to be true to your obligations to our common humanity. That is social justice. It is human justice, and if a man and woman is not human in business, let him get out of business, no matter whether it is this business or any other business. (Applause). You can exercise real religion in your business, by practicing the golden rule. There is religion in the law profession only when we can aid men to secure their rights, to protect life, liberty and property; there is religion in the medical profession when the preservation of human life is committed to the physician who conscientiously applies all the talent and skill he possesses in the execution of his professional trust, and in your business if you think of something more than three and one-half per cent., there can be some practical religion.

"I want to commend your association for its increasing idealism. I do not speak in terms of flattery. I speak in terms of justice to the men and women who are striving to reach the goal of justice in so far as it is possible for humans to do so. I commend your association in its growing aspirations for higher ethics. I commend these men and women, who, with devoted hearts, have given their time and energy and thoughts to advance nobly the ethics of this business. I like this model loan law because there is no watered stock in it. You are not selling fake oil lands, leases or stocks. You are not selling blue sky. You are not engaging in false advertising. You are not profiteers; because this just law prevents you from being profiteers. No man in this business, as now conducted, would go back to the old system with all its excessive profits. No one would want to go back to the days when everybody suspected every man in this business, no matter how just he might have been, and yet some of the finest business men have been in this business all these years, men who have never taken undue advantage of their patrons.

"I am not going to say much more. I have preached long enough—I did not intend to preach a sermon. When I heard the talk of Judge Collins tonight I thought of the words of Alexander Pope that 'the proper study of mankind is man.' Truer words were never uttered. We are thinking now in terms of humanity; we are thinking now of men. The Judge is far in advance of most judges because he is not restrained by any mental pent-up Utica or chilled by frozen legalistic conventionalism. He sees the God-like in the man no matter who he may be. He sees the man. And we are thinking, since the war, more and more of the individuals that make up our complex social state, we are thinking of men, women and children and social justice for them. We are thinking of women in the factories and mercantile establishments; we are thinking of men in the shops, mines and factories. We are thinking of justice for them. The conscience of emancipated womanhood will demand protection for the future mothers of America who now must toil to live. We must do justice to the men who work. They must have decent places to work, proper sanitation, proper hours of employment; they must have the benefit of humane laws such as the Workmen's Compensation Law. This is

all a part of the program for the conservation of the manhood and womanhood of America. You are important, vital, integral factors in this contribution to our social life, of building up a better manhood and womanhood, a more contented and better citizenship.

"If there were seventy-five thousand small loans in Illinois in one year, there would be over a million loans in the United States for the same period. Your business is helping one million poor men and their families in America who are endeavoring to share in life's better things—in a higher manhood and womanhood. In so far as you alleviate poverty, your business is not only vested with social and moral values, but it is vested with potential patriotic values.

"I am going to sound a note of warning. The socialist and the demagogue are active. The socialists are asking for state insurance and the State's participation in private business. They will ask that the State take charge of the lending of money. See if they don't. You want to be on your guard. Your business is a private enterprise; it is as legitimate and proper a function of private endeavor as any other class of business. The management and conduct of purely individual and private business by the Government itself is the socialistic program, no matter how disguised it may be, no matter whether it is advocated by soap box orators, parlor socialists or bolshevistic professors.

"You must be on your guard against threatened bad laws. You must be willing to lend your assistance to the enforcement of the present licensed lenders' laws. I want to tell you what the licensed money lenders of Illinois have done. They have rendered fine assistance in the enforcement of the law and in complying with its terms. They have won the approval of the State Department for their fine coöperation.

"What is proper advertising—is one of the great business questions of today. Should your State and national organizations establish ethical standards of publicity? Should they commend proper methods and specifically condemn improper methods of advertising? No man has a right to create a fictitious, unwise or unnecessary demand for money, credit or merchandise. (Applause). There is always going to be plenty of business for you, without appealing to the improvident. There is an insidious form of advertising, generally speaking, which, to use the expression of the Supreme Court of the United States, in another matter, is a 'lure to improvidence.' Such methods, though not wrong legally are morally and ethically wrong. Your organization cannot perform a greater service than by adopting proper standards of advertising, preventing exploitation of the public. This problem affects with equal force all business that makes public appeal for patronage.

"I have detained you longer than I should, but I feel, as I have said over and over again to-night, that you have a mission to perform. While I have spoken in a rambling way, I have spoken 'as the spirit moved me.' I have seen men engaged in this business in Peoria and Chicago, and take them man for man, you dare not say it in Indianapolis, Judge, they will average up in every way with the lawyers that practice law in Peoria and Chicago. (Applause). And they are just as decent and ethical and in many instances more decent and more ethical.

"The Judge's quotation from Burns inspires me also to quote from Burns. I think Burns is somewhat like Riley, because he invested the common things of life with dignity and charm and beauty. The brotherhood of man has been the undertone of my thoughts tonight. How then can I better conclude than by expressing the thought of Burns?

" 'Then let us pray that come it may
As come it will for a' that—
That sense and worth, o'er a' the earth,
May bear the gree, and a' that.
For a' that and a' that,
Its coming yet, for a' that—
When man to man, the world o'er,
Shall brothers be for a' that.'

"I want to thank you for your kindness and patience and for your courtesy. I, indeed, appreciate the signal honor conferred upon me implied in the invitation and privilege to speak to you, more than words can tell. I shall long remember this pleasant night, this pleasant occasion, these pleasant memories, these pleasant songs, and, most of all, these pleasant associations." (Applause).

Here is that interesting address made by Mr. R. V. Barto, chief examiner of the chattel loan division, Department of Securities, Columbus, Ohio, at the sixth annual convention of the A. I. L. L. A.:

"Mr. Chairman, Ladies of the 19th Amendment, and Gentlemen:

"I am certainly very grateful for the invitation kindly extended to me to be present at this convention and partake of this banquet. It seems to me this convention surpasses anything that has ever taken place in any of the loan associations. I have attended several and this certainly is the best. I noticed on the program of the convention that I was listed to make a speech. Those of you who may have heard me before are quite aware, and I know that many of you are painfully aware, of my limitations in this direction. I also noticed on the program that no subject was assigned to me to speak on. When I received the notice that I was to be a speaker, there was, what I am pleased to take as a gentle hint, that I will please be short; it says that 'others will speak if there is time.' I will try to leave a little time. That reminds me of a story of the colored boy, who served faithfully and bravely through the war to the day the armistice was signed, and on that day he approached his sergeant and said, 'Mr. Sergeant, I want to go home.' 'Why, Sam, why do you want to go home?' And he said, 'Well, the war is over and you know I married my Louisa the week before I enlisted, and I wants to go and see my Louisa.' The Sergeant said, 'Sam, you cannot go home; there are no arrangements made to go home.' 'Mr. Sergeant, I'se an enlisted man, and I enlisted for the duration of the war.' 'Sam, I tell you, you can't go home, the duration has just begun.' I do not want you to think my duration is going to be as long as between the armistice until the definite signing of peace; I am not going to speak that long.

"In your remarks of introduction, you have suggested I speak about the Ohio Loan Association. From the beginning of my term of office, my relations with the Ohio Loan Association—I do not like entirely to confine it to them—my relations with the licensees under our law, have been cordial and pleasant. The Executive Committee of the Ohio Loan Association have been and are the closest friends of mine, as I am of theirs. We sometimes differ on little things, but there has never been anything which we have not completely worked out for the best, and to the entire satisfaction of our department, the Executive Committee and the association which they represent. I do not know just what their membership is, but it is composed of a very large number of the Ohio licensees. If I said what was entirely in my mind to say about them, you would think it was fulsome praise. I will say this, that if there are in the State of Ohio, any more devoted, patriotic, law-abiding, honorable gentlemen engaged in any business in the State of Ohio, I do not know where they are. (Applause).

"By way of disgression, the election is coming on very soon. Indianapolis is a very attractive city and Indiana is a very attractive state, unless you gentlemen, and I do not think you will, cast your vote, for say Mr. Debs, an Ohio man is going to preside over the destinies of the United States, and I tell you Indiana men, the state boundaries may be changed and you may find the State of Indiana incorporated in the State of Ohio. (Laughter).

"There is one little thought that I would like to leave: The question of success in life is of paramount interest to all of us. The different ways by which it is obtained, financial success and the different kinds of success. Recently I asked some Jewish friends of mine, what the Jewish secret of success was. And after a very brief interval for thought, the answer has always come, "Confidence." Of course, you gentlemen realize that very little can be accomplished in business or anything else without confidence. You elect for your officers, chairmen of committees, etc., men in whom you have confidence, but the greatest success of your organization will not be obtained until you have complete confidence, one in the other and each in all. What would you business men do if you had no confidence in your employees? That of course means financial success and you gentlemen need nothing on that score, but the question comes up and the second variation of the subject is confidence in one's self. No one can approach a subject or duty and get full accomplishment out of it without complete self-confidence. That is plain. We all understand it. I want to make this one application. At every convention at which I have been present, several state and two national, I think I have detected a little bit of an undercurrent, some kind of lack of confidence in your business. You gentlemen all know in your own con-

sciences, and because you have been told it, you know you are not 'Loan Sharks.' That the 'Loan Shark' is dead. It is repugnant to hear the term 'loan shark' used. I think I have detected just a little feeling that you are afraid that some one will know that you are in the money lending business. I do not believe there is a licensee in the State of Ohio, who would willingly and knowingly keep a man in his debt to the man's detriment longer than he could help. I think our licensees all realize, and follow it out, that when they make a loan they have done a man a favor, and the quicker they get him out of debt the quicker they have done him another favor. But how many of us are able to withstand the temptation to make a loan, when we have money in our safe, provided it is well secured? How many of us would refuse to make that loan if we knew it was an undesirable loan for the man to make, if he was going to gamble it away and dissipate it? If we knew that fact, many of you would, but until all get to that determination not to make undesirable loans to the borrower, you will not get entire confidence in your business. I say to you that Senator Dailey and Judge Collins have more confidence in your business than you have.

"I think 'the duration' is now over, is it not, Mr. Stratton? Thank you." (Applause).

CONGRATULATIONS.

NEW YORK,
Oct. 25, 1920.

Dear Mr. Kehr:

Let me congratulte you upon the Convention number of the INDUSTRIAL LENDERS NEWS. It contains a lot of interesting material and is well gotten up.

I am sorry that I had to miss the Convention. It must have been an interesting occasion.

Very truly yours,
A. H. HAM.

NEW YORK,
Oct. 22d, 1920.

To the National Secretary:

Dear Sir:

I am just in receipt of the October issue of the INDUSTRIAL LENDERS NEWS, and was surprised to note the improvement; although I have no doubt that the Convention afforded its publisher unusual opportunity for both quality and quantity, as regards material.

In any event, those of you who have built up the A. I. L. L. Assn. and the NEWS, deserve to be congratulated. You have accomplished WONDERS, in having dignified and standardized the small loan business.

The picture of the "Banquet Hall" is inspiring and appetizing; and since I was not present, I might say, tantalizing. I notice the name of the head of the House of Hodson, is like my own, inconspicuous.

We are out of the chattel loan business—have made no loans for two years. We could not make enough at 2% to warrant the investment. Our business is confined to pawns, and to loans on bills receivable. In the latter case, we have loaned as much as $60,000 to one customer.

But I am glad to be remembered and wish to thank you for the NEWS.

Best wishes,
R. W. SHARP.

So many letters have been received by R. C. Aufderheide congratulating him and his colleagues upon the success of the National Convention in Indianapolis in September that it is impossible for lack of space to publish them all, but we think it fitting that the names of the authors be given. Here they are: L. E. Gren, Newark, O.; R. I. Barker, Huntington, W. Va.; F. S. Whaler, Grand Rapids, Mich.; L. C. Harbison, Chicago, Ill.; W. G. Stevens, Detroit, Mich.; A. P. Snite, Chicago; J. B. Skinner, Chicago, Ill.; Chas. Turgrimson, Chicago, Ill.; Chas. R. Napier, Chicago, Ill.; A. L. Weinschenk, Chicago, Ill.; J. A. Breen, Chicago, Ill.; N. Albrecht, Peoria, Ill.; O. W. Inman, Peoria, Ill.; Edgar P. East, New York; J. H. Dyer, Columbus, O.; Geo. L. Clupper, Marion, Ind.

COLORADO.

In response to an inquiry made by the National Secretary, in which a request was made for a list of the money lenders licensed under the 1919 Colorado law, Grant McFerson, the State Bank Commissioner, under date of October 16, without solicitation, volunteered the following opinion, which fully justifies the contention of the Division of Remedial Loans of the Russell Sage Foundation, New York, and others interested in the proper regulation of the small loan business throughout the country.

"I regret to say that the recent act known as 'The Money Lenders Law' lacks considerable of being a remedy for a situation developed some years ago, as business of this nature cannot be handled on a limit of one per cent. a month and correct the evils of usury which are so apparent.

"Please refer to the enclosed copy of this act which I think, after a careful perusal, will substantiate the statements above mentioned in this letter."

VIRGINIA.

Under date of October 16, H. T. Mattingly writes the National Secretary as follows:

Dear Mr. Kehr:

"I am returning you herewith correspondence regarding the license tax in Virginia, from Licensed Money Lenders. We had this case tried in the courts of Roanoke and lost out, but later compromised on a tax from $400.00 per year to $200.00. However we were successful in getting the State of Virginia to discontinue taxing us as Private Bankers which tax was about $250.00."

NEW JERSEY.

In his 1920 report, Frank H. Smith, Commissioner of Banking and Insurance, under the title of "Small Loan Brokers," shows there are thirty-two offices licensed by the department to transact the business of making loans of $300 or less on personal property, under the Act of 1914, Chapter 49. The name and location of each licensee is given which includes seven individuals and twenty-five corporations. The aggregate amount of capital invested is $961,014.20; loans in force, 15,286, amounting to $1,140,646.24.

Dividing the number into the amount of loans in force gives an average loan of $74.62, which is $15.71 above the average of the year before. The interest received for loans aggregated $301,309, and the expenses of management and operation totaled $173,146, the excess of the former amount over the latter being $128,784. The receipts from interest were $51,008 more than in the preceding year, and the expense payments were larger by $39,358. Dividends amounting to $42,973.12 were paid by the incorporated licensees to their stockholders, and the individual lenders paid themselves net earnings of $69,547.76, of which $63,006.18 was divided among the proprietors of the two largest offices. The details of the $173,146 total expenses paid are as follows: Salaries, $71,188; supervising and auditing, $10,299; wages, $35,081; interest on borrowed money, $10,216; rent, $7,490; advertising, $10,623; taxes, $7,488; legal expenses, $2,431; telephone and telegraph, $1,457; traveling, $1,924; license fees, $1,550; postage, printing, stationery, express, surety bond premiums and all other items, $13,399.

BANK EARNINGS.

The United States Investor of Boston has compiled the following statistics regarding earnings of the National Banks of Pittsburgh, for the period from September 11, 1917, to August 31, 1918, practically one year.

	Earned on its capital.
Bank of Pittsburgh, N. A.	19.13%
Columbia National	11.79%
Diamond National	20.15%
Duquesne National	6.45%
Exchange National	12.75%
Farmer's Deposit National	9.27%
First National	14.14%
Keystone National	10.91%
Liberty National	10.45%
Marine National	9.45%
Mellon National	11.19%
Monongahela National	17.30%
Western National	11.33%
Peoples' National	38.57%
Third National	16.38%
Union National	26.94%
National Bank of America	40.95%
Second National of Allegheny	22.68%
Pennsylvania National	9.07%
Metropolitan National	8.78%

STATE MEETINGS.

The Pennsylvania and Illinois Associations held interesting meetings in Pittsburgh and Chicago on October 28th and 29th respectively. These meetings were addressed by prominent citizens whose speeches and other interesting data we hope to publish in the December NEWS.

1920 YEAR BOOK.

The complete proceedings of the Sixth Annual Convention, together with other important data is now being assembled for the 1920 Year Book. The book in size and importance will surpass all previous efforts.

One of the features as heretofore, will be a membership directory. If you wish to be included in the honor roll, hurry along your dues through your state secretary if in organized territory and direct to the National Secretary if in an unorganized state.

EXECUTIVE COMMITTEE MEETING.

The National Executive Committee will meet at the McAlpin Hotel, New York, November 22d and 23d, to select a field secretary and decide on a program for the year's work. Matters pertaining to legislation and finance will receive serious attention.

N. F. BULLETIN.

The Bulletin of the National Federation of Remedial Loan Associations, including the proceedings of the twelfth annual convention at Newark, N. J., June 17-19, 1920, has been published together with a statistical chart in which the work of its members for the year 1919-1920 is set forth in detail. Besides the reports of its officers, the Bulletin contains papers by W. S. Hilborn, Acting Director, Division of Remedial Loans, Russell Sage Foundation on the subject: "The Progress of the Uniform Law"; Albert C. Auger, "Interest Rates and Dividends"; Charles F. Bigelow, "The New Borrower"; D. S. Coffey, "Prohibition and Borrowing"; Fred A. Phillips, "The Adoption of a Uniform Pledge Bill"; R. Cornelius Raby, "Problems of the Pawning Society," and a round table discussion of a number of interesting and practical subjects.

A summary of statistics shows the thirty-three members of the Federation have a combined capital invested of $13,211,540; surplus, $4,531,223; borrowed money, $1,590,368; number of loans made, 43,988; chattels, etc., pledges, 598,015; average loan balance, chattels, $1,904,905; pledges, $14,138,460; amount loaned, chattels, $3,439,897; pledges, $38,316,272; amount repaid by borrowers, chattels, $3,402,955; pledges $36,167,057; average loan, chattels, $78; pledges, $64; net earnings, chattels, $220,863; pledges, $1,188,227; expenses, chattels, $353,042; pledges, $740,994; losses, chattels and pledges, $14,548. The societies that paid dividends (all of them didn't), paid stockholders from 5 to 8 per cent.

Washington.—Post-war readjustment, about which the country has been talking, finally is at hand with no prospect of financial panic in sight, according to Archer Wall Douglas, chairman of the Committee on Statistics of the Chamber of Commerce of the United States, whose monthly report on business conditions was made public to-day.

The course of prices, the report sets forth, will continue downward. Merchandise stocks by January 1st will be smaller than for many years.

"We are over the top and on the down grade in most phases of industrial and commercial life," says the report, "although there still continue to be exceptions to this general statement. Finished lines of metals, drugs and automobile sundries are among the most notable exxceptions especially as to price changes which are few as yet in these particular branches of business.

"Demand in all lines is slackening. It is everywhere a case of most conservative buying rather than any great increase in supply. We are having a vivid illustration of how our usual volume of business is made up largely of things people do not really need. Also we see how people will get along without things they once thought indispensable once the fit of economy is on them.

"Manufacturing and mining are meeting the situation in the usual fashion, by running on reduced time or shutting down altogether. This has already meant, in some cases reduced wages. Zinc, lead and copper mines see no call for going on producing when they cannot sell their ores and when prices keep on declining. Just now the need of the country seems to be for more consumption rather than more production.

"Talk of stabilizing prices, so as to save the situation, no longer interests any one save a few hopeless theorists. The laws of supply and demand will, in time regulate matters.

"The entire business world is steadily trending to that readjustment which we have talked about so long. We have been through it before, several times, and we will go through it again, and successfully. This time it is robbed of its greatest terror, financial panic and ensuing disaster. And through it all, the Federal Reserve Bank System will be a refuge.

"Theories of great and startling changes in the framework and organization of manufacturing life are dying out in view of the exigencies of the occasion as to how to maintain adequate production at reasonably remunerative prices. Industrial life, in time, will doubtless be more democratized than at present but we are not headed in the direction of running factories by committees.

"The entire commercial world is setting its house in order by reducing commitments, collecting outstanding accounts, and bringing down stocks of merchandise to the requirements of reduced demand. And it is all being done soberly and advisedly. All are awaiting that psychological time, the first of the year, when the current of events and the general trend shall be more readily discerned and more easily interpreted. Meanwhile, much definite action is being postponed. Merchandise stocks in general will then be far less than for several years.

"The distinctly cotton sections of the South are sore distressed because of low priced cotton and very little demand, especially for low grades. It is not a new experience to the South, and the South has always recovered ere long and gone on to greater prosperity. But it is an acute phase while it lasts. It is due not only to cotton mill inactivity in this country but to the great slump in European demand, especially from Central Europe, which cannot buy as of old, no matter how desperate her needs.

"In the grain regions, low prices of farm products have put a crimp in the buying power and inclination of the farming community. Experience shows, however, from causes more readily seen than analyzed that depressions in agricultural sections because of low prices of farm products are neither so lasting nor so severe as those in industrial centers which proceed from lack of manufacturing activity and consequent unemployment. On the whole, the farming community can furnish its own subsistence and tide over bad times. Also the accumulated supplies, whose abundance caused the depression, are daily diminishing in volume and can not be replenished until another harvest. Thus the natural operation of the laws of supply and demand tend to remedy the trouble."

KEEP THIS ON YOUR MIND.

Cynics notwithstanding, there is more fun in "doing unto others" than in doing others.

"Knock and it shall be opened" doesn't applly to "knockers."

Just because you have a good opinion of yourself is no reason why you should have a poor opinion of others.

Self-conceit is self-destruction.

It isn't the color of your skin that determines whether you are "white" or not.

Work is the richest of all gold mines. It yields infinitely more than money when tackled in the right spirit.

Carve the right kind of place in men's hearts and then you can safely leave to them the carving of the right kind of epitaph on your tombstone.

The way to carry a stiff load is to have a stiff upper lip.

Principles pay the best interest.

Power is not to be regarded as conferring privileges, but as imposnig serious obligations.

ARE YOU DISCOURAGED?

Remember this:

When Abraham Lincoln was a young man, he ran for the legislature in Illinois, and was badly swamped.

He next entered business, failed, and spent seventeen years of his life paying up the debts of a worthless partner.

He was in love with a beautiful young woman to whom he became engaged—then she died.

Later he married a woman who was a constant burden to him.

He then tried to get an appointment to the United States Land Office, but failed.

Entering politics again, he ran for Congress, and was badly defeated.

In 1856 he became a candidate for the Vice-Presidency and was again defeated.

In 1858 he was defeated by Douglas.

One failure after another—bad failures—great setbacks.

In the face of all this he eventually became one of the country's greatest men, if not the greatest.

When you think of a series of setbacks like this, doesn't it make you feel small to become discouraged, just because you think you are having a hard time in life?

The secret of success lies in the man and not in the stuff he works on.

The best education in the world is that got by struggling to make a living.

As in a game of cards, so in the game of life, we must play what is dealt to us; and the glory consists not so much in winning as in playing a poor hand well.

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INDUSTRIAL LENDERS NEWS

Official Organ American Industrial Licensed Lenders Association Which Is a Member of the Chamber of Commerce of the U. S. A.

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ILLINOIS.

When a fellow goes through a big day's business with no friction, the machinery working perfectly and everyone concerned seems pleased and happy, he experiences a delightful sense of keen satisfaction when during the evening, he reflects upon that day's business.

Such must have been the feeling of every loan man, who attended the last meeting of the Illinois Association, when he reflects upon the occasion of the meeting at Hotel Morrison, October 29th.

All of the Illinois Association meetings have been good meetings, but each succeeding one seems to be better in one way or another than the previous gathering, and there is every indication that this process will continue.

Forty-eight Illinois licensees and members of the Association sat down to a chicken dinner with four guests, Senator James J. Barbour, Judge Daniel P. Trude, Attorney Charles R. Napier and Doctor G. G. Taylor. During the dinner hour, the gathering was entertained by a young lady soloist and immediately after coffee, Chairman Snite requested Attorney Napier to act as toastmaster during the social session of the evening. In a very able and eloquent manner, Mr. Napier introduced the speakers and made comments upon their remarks. The full text of both introductions and the addresses follow:

Mr. Snite: We have with us to-night two very distinguished visitors, and, as Mr. Napier is a very warm friend of each, I am going to ask him to introduce them.

Mr. Napier: Gentlemen:

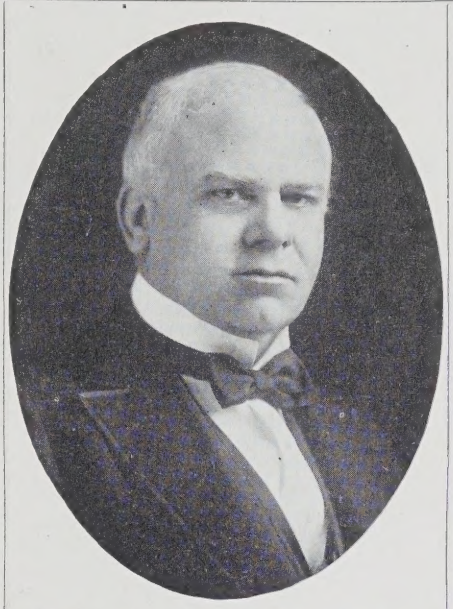
We all remember the days of 1915 and 1916 and 1917. We also remember that they were hard days. They were bad days for the borrower who paid, because, in a certain sense he was taxed to make up for the borrower who did not pay.

They were bad days for the honest lender, because he was confronted by a grim public, that did not seem to be able to distinguish between good lenders and bad lenders.

And I think it is only fair to say that those were bad days for that same public, because the public was being constantly excited by sensational stories, often exaggerated, and sometimes without any foundation in fact.

But even in those days, gentlemen, you would occasionally meet a man who had given this subject,—and I do not think I am exaggerating when I say that the loan business is a great subject,—some serious consideration.

And it was my experience that whenever I was so fortunate as to come in



SENATOR JAMES J. BARBOUR, CHICAGO.

contact with such a man, I found that while he condemned methods and conditions as they obtained and existed at that time, he did not believe that the loan business was inherently bad.

To that little class of men Illinois owes a deep debt of gratitude because it was they that prevented this state from making the grievous mistake of denying either by positive law or by public opinion,—to the needy the right to borrow at decent rates, from honest men.

Soon after I came to the bar; I am a man of humble origin, and of the type that admires the great,—I chanced one day to go into the court room then occupied by the late Judge Freeman. Where a case was on trial. A young lawyer,—or rather, he wore the aspect of youth,—was conducting the case with notable dignity and skill. He attracted my attention; and ever since that day I have followed his career with interest and with delight.

That gentleman has served this community conspicuously in several positions of responsibility and honor. He enjoys the confidence and the admiration of this community. He was in the State Senate in 1917, and, praise be to God, he voted for the Illinois Small Loan Act.

I believe, gentlemen, that I am speaking for you when I say to Senator Barbour, "Senator, when you voted for the Small Loan Act you performed the greatest public service of your long and your honorable career," because he must not forget, as we will never forget that that law was a blessing to this community, to this state, to the borrower, to the lender and to the public. And it is a precedent and an influence for good in every state where the effort is made from time to time to pass a similar law.

Gentlemen, I have the great pleasure and the distinguished honor of presenting to you this evening Senator James J. Barbour, of Chicago and Springfield. (Applause, the audience rising.)

The Honorable James J. Barbour: Mr. Chairman, Mr. Napier, and Gentlemen of the Association:

I feel especially honored in sitting with you to-night, with the opportunity of speaking a few words. I have another meeting to attend, and I have been enjoined, for the last forty eight hours that I ought to be at home and in bed: but I am getting along pretty well outside. Last night I spoke in the Oak Park high school. There were four of us lined up, to tell about the issues in this campaign. Mr. Hedrick and Mrs. Bass were for the Democrats, and Mrs. McCormick and I were giving the Republican position.

They made apologies for me before I started in, and I whispered through for about three quarters of an hour; and then Mr. Hedrick followed, and Mrs. McCormick started in; and she had used about half of her time when she collapsed.

Now, I trust that there will not be any such accident as that on the second day of November, and I do not believe there will.

I am running for State Senator. A man always likes to talk about himself. He usually starts out by saying that he is a self-made man. One fellow said that, and he said in that respect that he had relieved the Almighty of a great responsibility. (Laughter.)

I am not very nervous about my candidacy for the State Senate. You may be interested in the matter from the inside. My principal occupation has been to explain to my Republican friends in Evanston how they can vote a split ticket,—I think that is what they call it,—and I have an engagement on Sunday to visit the old and infirm, with sample ballots, by special request; and I am glad to do the work. I hope they will do the work on the second of November.

Now, another incident in this running for office. When you get to be fifty years of age or thereabouts, and want to have the respect of your grandchildren and some of your neighbors, it is a nice thing not to pledge anybody as to what you are going to do.

I will just give you two instances of that proposition. I had always thought this was a free country, or it ought to be free. Everybody ought to be free.

(*Continued on page 2.*)

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(*Continued from page 1.*)

And Mr. Walker, of the American Federation of Labor said that I was the most dependable man in the Illinois Legislature: he could always depend on me to be against what he wanted. (Laughter.) Much to my surprise, I found that I was endorsed by the Labor advocate just before the primaries, because of my friendship for labor.

There was a bunch of school teachers sent two different communications to me, to get me to sign up for their programme. It really meant the overruling of the Juul law. And they did not get any response.

So a lady called me on the 'phone. She was a school teacher, she said, and lived in Evanston. She wanted to know what I would have to say on the proposition. I said that I did not know anything about it, and I said that I would certainiy not pledge myself in advance.

Finally I said, "By the way, you are a school teacher in my district, living in Evanston. Where is your school?" She said, "The Senn High school." She said it in a rather apologetic sort of way. She fished around about the Juul law. I said "I have an opinion about that. That is the only protection that the taxpayer has. It is a limit on taxation, and I certainly will be against doing away with that. If you school teachers would get busy with the Thompson administration and prevent waste, you would find that there was plenty of money to give you the salaries that you ought to have." And when I talked about the Juul law, she said "That is enough. Thank you," and rang off.

So I looked for defeat because of what they were going to do to me. And they issued their programme two or three days before the primary election, and they had stars opposite two or three names. They said that all these gentlemen except those with stars opposite their names have signed our pledge. Those with stars opposite their names have been interviewed orally, and their responses have been satisfactory." And I was one of the stars. (Laughter.)

I will give you another instance while we are talking about it.

A Christian Scientist friend of mine,—and I wish he would work on me now for a little while. He is absent, but I suppose he could do it without much trouble,—a newspaper editor and a neighbor. He called me up and sounded me out about vaccination. I told him that I did not know anything about it, and that I certainly would not pledge myself in advance. I was not going out of my way to offend the Christian Scientists or anybody else: and he said "I knew very well before I asked you that that would be about the way you would answer. That is satisfactory."

So that night a man called me up on the 'phone,—and I rather think it is more or less of an impertinence for a man to call you on the 'phone and not disclose who he is,—and try to get you into trouble. I will give you an instance a little later of this 'phone business.

And he said "I want to talk to Mrs. Barbour." "All right," I said, and I called Mrs. Barbour to the 'phone. And then he said, "I want to talk to Senator Barbour." All right; so I went back again.

He said, "Senator, what are your views on vaccination?" I said "I haven't any." "Haven't you ever given it any thought at all?" And I said that I had never given it any thought; I had never had any occasion to. I never knew anything about it. He said "You know that they have in some states." I said I did not know anything about it. "Well," he said, "could you not tell me something about it?" I said "No, I can't tell you a thing about it." Then he said, "Will you pardon me for asking, but what are your religious affiliations? Are you a Catholic or a Protestant?" "Well," I said, "I would rather not answer that question." I had just given out thirty thousand cards saying that I was a Baptist minister's son and was a member of the First Baptist Church of Evanston. He said, "What is that?" I said, "I would prefer not to answer that question just now." "Why, is that?" he said. "Well, I said, there is an election coming on, and I would rather not declare myself." (Laughter.) I said, "If people want to know something about me, I would rather be judged on some other standard than whether I was a Catholic or a Protestant." He said, "All right," and he rang off.

So the Federation of Teachers, connected with the American Federation of Labor, sent something to me this week, and I had until Friday to respond; and I could respond if I was not here, engrossed in talking to you. So they are not going to get my answer, I am afraid; and I want that man who was on the 'phone and this Federation to know that I am apt to either be defeated or to win out with twenty thousand majority. (Laughter.)

I promised to give you an interesting episode that happened over the 'phone; and as there are no reporters present, I can tell you about it.

I was in the so-called Enright murder trial some months ago: and afterwards, when something of interest happened, Mrs. Barbour reported that there was a lady reporter wanted to talk to me,—a magazine writer. I went there, and answered her questions. Mrs. Barbour said that the person acted very peculiarly.

I fenced around; and this party asked me who this man Enright was. Well, I said, "I don't know much about him. I know that he was convicted for murder once, and sentenced to imprisonment for life; but of course that does not mean anything against a man." (Laughter.) She said, "How about his wife and his children?" "Well," I said, "He has a boy eight years old and a girl of six, and, so far as I know, they have neither of them committed any crime." "Well," she said "I simply want to pronounce on you and yours a widow's curse"; and so on. I hung up the 'phone, and the lady disclosed who she was.

This is just a prelude to telling you what I know about this bill that was passed in 1917. If I cannot go down to the legislature unpledged, I will not go down.

This measure came before a committee of which I was a member, and I knew nothing of it until it came up before the committee. I knew of the splendid work of Judge Trude, and I knew of the evils and the extortions and the lack of system, and also the need of regulating lending facilities: and this at once appealed to me. But some of the other senators down in the country were holier than me, more righteous than I, and they expressed themselves as greatly shocked at the idea of the legislature permitting people to charge the outrageous rate that that bill provided for. It was simply shocking to their conscience. And of course I had gotten a line on their consciences before that, and I knew in a very short time who they were speaking for, and I told Mr. Harbison and one or two others that there would have to be some publicity work and that it would have to be done right soon.

And there was a gentleman who represented the Sage Foundation, from New York and coming up on the train I had a talk with him; and I said that this thing ought to be ventilated in Chicago. I said, "You ought to see Judge Landis yourself, and get him on your side," and I made an appointment for him with Judge Landis. I took the trouble to go over to the *Tribune* one Saturday night. I found the publisher very indifferent, if not opposed to the measure; and I told him that he was wrong and that this measure was backed by the leading citizens of Chicago and by Judge Trude, in whom the *Tribune* had a great deal of confidence.

But at that time I was in a class by myself, and on the unpopular side. But the more opposition developed from these gentlemen in the legislature from the country the more it became apparent that this was one of the greatest measures that was before that session of the legislature. And I am glad to say that that bill went through, and it is a law; and there is not anybody who knows better than you gentlemen here what a righteous measure it was and all the evils that it corrected, and of the opportunity it gives to the honest person who is in difficulties, to get bridged over; and it also puts the business on a proper and a respectable footing; and I am very proud of the fact that, unpledged and unfettered as I was, and indifferent to the first impressions that would adhere to a man that declared himself early for this measure; I am glad that I had some part in assisting in the passage of the measure.

And, gentlemen, I want to say that each one of you has a big responsibility in this state and in this city, where you pass your lives, to act fearlessly, each one of you, and independently, so that you will suit your actions to your consciences, and in all public matters see that you are well informed, and then be a slave to no man and to no circle and to no party.

Of course, every man should pick out a party, but this idea, that because you belong to a party you have got to nurture and take under your wing and stand for any person who has the party label, regardless of what their private life and conduct, or of what their public life has been, is un-American and absolutely wrong.

And while I believe that we can bring reforms inside of the party better than outside, I think that citizens of the state of Illinois, if they are going to have the State continue to be one in which we should be proud to live, should see to it that they, and not the bosses should be the rulers of the state and of the city.

And in conclusion, I want to say that I know of no body of men who in a specific way, and in a concrete way have done more to help in the public weal than have you gentlemen in your coöperation and in adjusting yourselves to this law and in making it the popular success that it has become.

I thank you very much. (Applause.)

Mr. Napier: We might as well be frank with ourselves and admit that when this movement that resulted in the passage of what we call the Small Loan Act was first begun in Illinois and especially in the City of Chicago, most of us were opposed to it. We had seen the Wage Loan Assignment Act passed in 1905 held unconstitutional by the Supreme Court of this state.

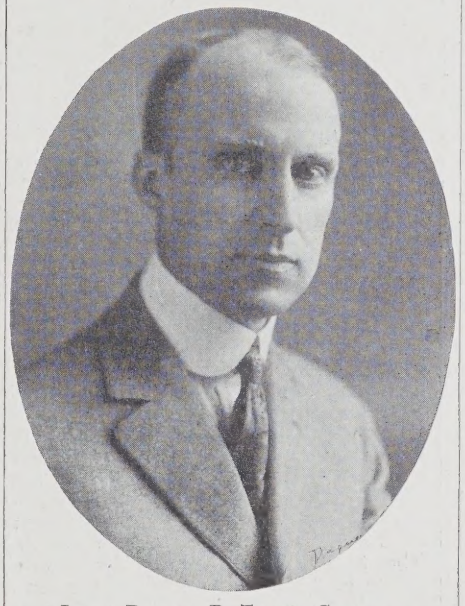
Then we had witnessed the Wage Loan Corporation, which was organized under the law of 1913, languish for several years, and I think all of us had about come to the conclusion that nothing workable and nothing fair would ever come from the efforts of outsiders to regulate the small loan business.

But the world moves, and time and events change; and finally that movement was started which culminated in a workable law.

About the first result of the movement was a mass of litigation. We had injunction suits; we had replevin suits; we had foreclosure suits; and we had Judge Landis. They all impressed us. They could not help but impress us. This movement, like every other movement, was led and supported and carried on by three or four upstanding characters. The legal end of it was handled by a young man who at that time was known to very few of us. But I am willing to go on record as saying that if he lacked experience with money lenders, if he lacked knowledge of the loan business, he did not lack initiative and he did not lack courage. I came in professional contact with this gentleman on a number of occasions. I know that when he threw his personality into a law suit that that law suit became something that was akin to war.

I believe all of you rejoice in the fact that the result of this uproar was the passage of this act, and I believe that all of you will agree with me when I say to you that this occasion would be incomplete if we did not have with us that young captain of the reformation who is now *Judge* Trude.

Gentlemen, I present to you Judge Daniel P. Trude, judge of the municipal court of Chicago. (Applause, the audience rising.)



JUDGE DANIEL P. TRUDE, CHICAGO.

The Honorable Daniel P. Trude: Mr. Napier, and Gentlemen: Since I have been on the bench I have gone out very little, speaking. In the first place, I do not like it, frankly; and if there was any ability in the family to speak, it was all absorbed by my father.

This matter, however, appealed to me, when Napier asked me to come down here and speak to you this evening, because it was a matter in which I had been and in which I am still interested. I want you to understand that I felt at first like Daniel in the Lions' den, but I have gone through the evening so far, and both lions and Daniel are still on top. (Laughter.)

You might be interestedd in having just a little brief history of the way we happened to start this thing, and how I happened to get into it.

I had graduated from law school, and had been out some few years, practicing, and I knew absolutely nothing about this loan business. I had fortunately, never had occasion to borrow money in this way and the result was that I had not had much experience in this line of work. I had seen it occasionally in the papers.

The *Tribune* though, had early been interested in the subject, and when they decided to take the advertising out of their paper, and since the Wage Loan Bill had been declared unconstitutional, and the matter had been more or less within their knowledge, they decided to undertake this campaign.

They saw one of the judges, Judge Kavanagh, of the Superior Court, and he is a very close friend of mine,—and they asked him if he knew of any man that would undertake the work. That was, I believe, Joseph Medill Patterson.

And Judge Kavanagh met me at lunch one day and asked me about it. I said I did not know anything about it at all; but he said that it would just take a few months probably, of my time, casually, in helping these people out, and that I could do it in connection with my work as an attorney. So I said, "All right; go ahead."

And the first thing was to select some volunteer attorneys to help us. So we took the law directories and went through them, and found here and there the names of some young men whom I had known at one time or another, and men more or less prominent in the profession; and we selected that list and wrote letters to them, asking whether they would volunteer to help out in this campaign.

We got answers back, yes and no; and from that list we selected eighty names. Subsequently we learned of those eighty names, some of whom had said yes, that about half a dozen were attorneys for some of the loan companies. We did not know that until later. (Laughter.) But after we were advised of that fact, of course they got no cases.

Then the *Tribune*, as you will recall, printed this little leaflet or clipping, in which they asked the person to write his name and address and some other information, about when they had borrowed, etc., whether there was any break in the chain, etc. And they were all to be mailed to the *Tribune* offices.

Well, I thought that I would have perhaps three months' work and nothing but an hour or so maybe, during the day. But when the volume of the business began to be turned over to me by the *Tribune*, I saw, from the first few days' mail, that we were going to be inundated with work. We found that this system had radiated out throughout the City of Chicago; and of course you gentlemen know all the details of how in those days the salary loan people would hand a debtor over from one man to another until the amount had piled up and the poor fellow was up against it.

I became intensely interested in the subject, and because I was interested in humanity in general, and always in the under-dog. But I found that there were two sides to the question. I found that the under-dog was frequently trying to hand it to the fellow who had helped him out in his time of trouble,—the only man he could go to,—that he was also trying to skin the loan man; and I promptly in every case took up

with the representatives whom I found to be persons who had been typified in the papers as loan sharks,—but who I found in most cases to be reasonable.

In the cases where the agent was not reasonable, or the company or the firm were not reasonable, I saw we would have to get means to reach them; and that was law. We would take these injunction suits or these other procedures that Mr. Napier has spoken of, and in that way we showed them that we meant business if they were not reasonable.

I have had occasion to make tenders and to discuss these matters with many of you gentlemen present, and oftentimes I have gone to you with one idea and you have convinced me that your idea was the fair one, and in most cases we have gotten together very harmoniously.

The question of how these eighty lawyers operated is another story. We began to send out these cases to the lawyers; and after they had got the cases and taken statements of the facts from the individuals, they began calling me up and asking me what the law was on this, that and the other point, and what they should do in this, that and the other case. I was handling this thing voluntarily, without a cent of pay from the *Tribune;* and I want to tell you gentlemen that in this campaign which I undertook, that it lasted, so far as I was concerned, for over two years, and the only person who received a cent of pay was Mr. Lee, who is a young lawyer, but who at that time was a law student and also a stenographer, and he received the wonderful stipend of twenty-five dollars a week; and that was the total expense to the *Tribune* except possibly several hundred dollars incidental expenses which they had to pay in connection with printing and some other supplies, etc.

So that that proposition, as far as the *Tribune* was concerned, probably cost them about two thousand or three thousand dollars.

Now, when we got the mass of information together, of course it became necessary to work out a solution. Then the question of the campaign came on; and this campaign, if you recall, was started in 1912. It began in February, 1912, and went on for three years.

Then it became necessary to develop some solution of the problem, and that was where this loan bill came in. At first we were opposed, and particularly were we opposed in the Danville district. The bill went into the legislature; and the down-state people could not understand why anybody should be compelled to pay three per cent. a month. Personally, I would like to see the poor man get money without interest, but we know that that is simply a beautiful dream, and that it is not possible of fulfillment on this earth.

So we did have to convince them; and it became a proposition of talking to them and of showing them the figures and of discussing it with them; of education.

The bill went through finally, and lost by one vote; and then, through the efforts of Mr. Hicks, the representative from Rockford, it was reconsidered and finally passed.

Those were days when we spent a great deal of time at Springfield; and just as Senator Barbour has said, we had to keep going all the time.

I firmly believed that the bill was absolutely right and I believe so now. I believed that there was a distinction between what people generally called loan sharks and what I always called loan brokers. I have called the gentlemen that at all times.

Judge Landis was of course very effective in keeping the home fires burning (laughter), and he kept us on the front page, so that we created a lot of smoke as well as some fire. The law was not with us,—I mean as it was on the books before this law was passed,—was not with us, and it became necessary for us to go into court many times; and it was my pleasure to go in many times with Mr. Napier, and with Mr. Russell Clark; and many times I was successful and sometimes they were victorious.

But at all times we were friends. In fact, we went on the theory that people should, do "as adversaries do in law; strive mightily; but eat and drink as friends." And it is with that idea that we are here to-night.

I received during this week a bulletin of the National Federation of Remedial Loan Associations. On page four it says:

"I cannot better illustrate the beneficial result attained under the uniform Small Loan Law, than by quoting a public statement by James S. Baldwin, assistant director of the Department of Trade and Commerce, of Illinois, who is considered as efficient as any of the administrators of the law, and whose word upon the uniform law should be given as wide a circulation as possible."

"On February 4, 1920, Mr. Baldwin said:

"I administer the Small Loan Act in Illinois. It is a uniform Small Loan Act, sponsored by the Russell Sage Foundation in New York. After two and a half years' experience in Illinois, I believe that it has driven the old-time loan shark out of business there. It is estimated that there are loans aggregating five millions of dollars, in my state. The minimum old rate obtaining in Illinois prior to the enactment of the law was ten per cent. a month. The uniform act provides for a rate not to exceed three and a half per cent. This law has saved the borrowers in Illinois upwards of four million dollars a year."

None of the men in this business now need to consider themselves in any other or different category than President Rawson, of the Union Trust Company, or President Forgan or any other. It is a legitimate business, in which any man might be glad to engage.

You are rendering a wonderful service now to people who deserve assistance, and you are not like some of the other concerns that are operating a so-called loan business, that claim they are operating on a certain per cent., whereas, if the matter was figured out, the basis on which they do business, you would find that they are operating on a percent. away beyond what they advertise they are; and yet they claim that they are doing a charity business. (Applause.)

In this result we were indebted to a great extent to Senator Barbour, and another man who has recently left the senate, who I regard as one of the biggest figures in Illinois public life today, Senator Morton D. Hull, who comes from the district from which I come.

Senator Hull was the one who sponsored the bill in the senate, as was Hicks in the house. You who were not down there during those stormy days at Springfield, do not know the time we had. Those of us who believed in the bill oftentimes came up against some strange propositions.

I remember one. The man is in the room here to-night; so I will not mention his name. But his intense zeal for the bill was so intense that he was continually coming to us with suggestions. And all the time that he was coming to us with suggestions, the other side, the Danville opposition, was watching us, and claiming that we from Chicago were in cahoots with the loan sharks about putting the proposition over.

So I finally went to a friend of his and said, "For the bill's sake, pull that fellow off. I am with him. He does not need to convince us but he is hurting the cause."

I told Mr. Napier that we might some day,—and I will be the moving cause, if possible,—have Judge Landis down here to give you a talk. Landis is a friend of mine, and I am sure that you who know Landis know that he is absolutely on the square on this proposition. And if Napier finally gets around to it and wants me to ask the judge on some occasion in the future, I will be glad to have him here if you gentlemen desire to have him as your guest. (Applause.) He will not talk to you the way he has from the bench; I will tell you that."

It is indeed an accomplishment worthy of note to secure as speakers for the Association men such as Senator Barbour and Judge Trude, because they were interested in the enactment of the Illinois law and their addresses gave the assurance that they are pleased with the fulfillment and compliance with the provisions of that law. In these men, we undoubtedly, have staunch allies and a closer friendship has been formed by their having attended the meeting.

Following the addresses, the business session was called to order by Chairman Snite, who because of this being his first meeting in office, addressed the members as follows:

Fellow Members:

As your newly elected chairman, I feel that it is my duty to make a few general remarks, but knowing that you would hear considerable eloquence this evening, I did not dare to venture a speech, for as you probably all know, I have a very poor reputation as a speaker, so with your permission, I will just read what I have to say.

As we look back to the time of the formation of our Association in 1917 and think of the wonderful advancement we have made both collectively and individually, it is not at all difficult to easily trace to whom a great deal of credit is due for our achievements and I feel that we cannot thank too much, nor express our appreciation too deeply for the efforts of the one man who was the prime factor in the birth of this organization and who, through his untiring efforts and unselfish man-

ner in which he has given his time and ability—and that man, you all know, is Mr. L. C. Harbison, who for three years past, has been our chairman.

His leadership has, indeed, been admirable and during the short time that I have been his successor, I realize more fully than ever the true responsibilities of the office, and to take the place of so successful a chairman is, I assure you, a real task; however, I find the work pleasant and will give this Association the best I have at all times.

We have another very important position in this Association which has been and is being filled with great credit to us and that is the position of secretary. I have seen much of Mr. Baker in the last three months on Association matters. I have loaded considerable work on him in that time. He is never too busy to take time from his own business for Association business. He knows what to do, how to do it, and when to do it. He is alive, up-to-date and full of pep as you know from his letters. We have good cause to feel proud of the manner in which that position is being filled.

One of the outstanding features of the work of our former officers has been the very cordial and coöperative spirit which they have maintained between our members and the Department of Trade and Commerce. The many courtesies which have been extended has been a distinct advantage to the licensees as well as the department and it is indeed an unpleasant anticipation when we think of the possibility of a change being made in the personnel of the Department of Trade and Commerce as a probable result of the coming election. If we have to deal with a new set of department officials, that, in itself, will be one of the vital issues confronting myself and the other officers; then, too, we should remember that 1921 is a legislation year in this state and again this Association may be called upon to prove its great importance and its vital necessity to the men engaged in our business. We all *now* fully realize that nothing could be accomplished by our individual efforts and that only by each giving his fullest support, both morally and financially to this organization, can we hope to retain our present standing and continue to accomplish big things in the future.

There are now 133 licensees in Illinois, of which only 69 are members of this Association. On first sight, this looks bad for our membership committee, but as a matter of fact, they have done good work, especially in Chicago, where practically every licensee, who is in the business as a main issue, has become a member. There is, however, much work to be done down-state and I hope during the next few months to be able to inaugurate a campaign for members by personal solicitation, conducted by members who have neighbors in the business, but out of the Association.

We cannot afford to overlook the great good being done by the National Association and while our payment of dues to that body is second on the list, in respect to amount, we have only about 40 per cent. of our 69 members enrolled as national members. We should at least double that per centage and I am going to start a campaign immediately with that end in view.

I shall only mention the Chicago Association of Commerce and the Illinois Chamber of Commerce, as they shall be taken up more in detail later in the evening, but there is not the slightest degree of doubt but that both of these organizations are most valuable assets to us and we cannot afford to give them other than serious consideration.

When I joined the Associaiton, I did it to be one of the boys and wanted to go along with the crowd, I had little confidence in the movement and less faith that any real good would come of it. While this is a frank confession, I will venture to say that many others in this room were of the same opinion.

Just as events since that time have proven that I was all wrong and that our Association was and is a real necessity, so will future developments conclusively prove that our affiliation with the National Association, the Chicago Association of Commerce and the Illinois Chamber of Commerce, is a thing that we can ill afford to neglect. I earnestly urge, therefore, that each of you give these matters due consideration.

There are many other features which could be touched upon, but all of you understand quite well just what is necessary for our future success and progress and as we have a great deal of important business to take care of this evening, I will close with an appeal to each and every member of our Association that he remain loyal, that he give the Association and its officers a full measure of support at all times and that we all continue to work harmoniously together for the betterment and uplift of the business in general.

The remarks of the chairman were applauded loudly and every member has unbounded confidence that our Association will progress and do well under his leadership.

Minutes of the last regular meeting held in Peoria were read and approved.

Treasurer Lynch reported a balance of $586.98 with all bills paid.

Membership Committee reported the annexation of H. M. Griswold, 625 E. Adams St., Springfield, Illinois, as a new member since the date of last meeting.

Mr. Henderson made a brief report for the Publicity Committee and suggested that Mr. Weinschenk be appointed as chairman of that committee for the ensuing year. The chair then did appoint Mr. Weinschenk as Publicity Committee chairman with the stipulation that every one appointed on this committee should be a member of same for life, but that committee could have a new chairman each year. If this process is continued for a sufficient number of years, every member will be on the Publicity Committee, which is as it should be.

Considerable correspondence of importance and interest was read among which was a letter from National Secretary Kehr regarding assignment of wages for employees of Board of Education of Chicago. This matter was discussed and explained by Attorney Napier and all doubt as to same cleared up.

Mr. Harbison, as chairman of Division No. 55 of the Chicago Association of Commerce, made a very interesting report of both that Association and the Illinois Chamber of Commerce.

Mr. Tyson moved that the Association go on record as favoring state police.

Mr. Edward Steimle, who went to Indianapolis as delegate for the Illinois Association to the A. A. Convention, made a very complete and interesting report on the convention.

On the motion of Mr. Harbison, Mr. Steimle was given a rising vote of thanks for the very able manner in which he fulfilled his duties as a delegate.

Chair then called upon other members present who attended the National Convention to give briefly their impression of the affair. Every one, without an exception, felt that no previous convention could be compared with the Indiana gathering and that it demonstrated conclusively great progress and improvement in the national body.

An appeal was then made to all our members, who had not yet done so, to join the National Association.

A short recess was then called during which apples were thrown from the speakers table to the men, who had apparently all become hungry again, even after our big dinner, for the meeting lasted until nearly midnight, no one giving time a thought.

Before adjournment, however, and after recess, we had a very interesting discussion on practical subjects, some of which were proper method of figuring interest on balances of less than $1.00; the removal ordinance recently past by Chicago City Counsel, proper method of making loans on warehouse receipts, etc.

PENNSYLVANIA.

We are pleased to publish the following notes of meeting of the Pennsylvania Association at the Fort Pitt Hotel, Pittsburgh, October 28th:

Mr. Edgar P. East, the chairman, presided and opened the meeting with these remarks:

"The purpose of this meeting is to find out why we do not have more of the licensees with us and why those outside are not working with us. If they cannot give us their support by being present at every meeting, we want their moral support—we want them to write us a letter and send us a check for not only state dues, but the dues in the National Association. Our purpose in passing the cards around is to find out who are with us.

"But here let me say I am very happy to welcome Mr. Woodley, of Ohio, and Mr. Stein, Mr. Elder and Mr. Stuart, who are here as our guests and who are giving us their time that they may bring a message to us.

"On the three cards I hold in my hands, in answer to the question "Are you a member of the Association"—the word "No" is written on two of them and on the other the line is left blank. The one that is left blank is the card of Mr. Perelman. I have had some correspondence with Mr. Perelman and I would like to have his permission to write "Yes" on that line.

Mr. Perelman: The answer should have been "No."

I just want to answer this question in as few words as possible, for I did not come here to talk, but to be talked

to. When this Association was formed (I am speaking only for myself) I think it was formed without any consideration for the other fellow. We think of what benefits us best. When I was asked to join this Association at that particular time I did not care whether I was in the loan business or not, as the office did not pay interest on the money invested. When I was asked to join the Association I did so, as I figured the cost very little. Finally a contribution was asked for and as I understood the matter, the man operating a $10,000 office was to be assessed $50; the man having $20,000 or $50,000 invested was assessed $50 and I thought —"Now why should it not be rated according to the amount invested. Some of you men here probably have been in the smaller offices where they have a large number of loans for small amounts. The small office caters to a different class of people from the larger office and it is possible to put out only the small amounts. The man in the big city can put out a larger sum and his net profits run considerably more and in that way the man in the larger office can afford some things that the man in the smaller office cannot afford. That is my feeling and I believe that pretty nearly answers the question.

Mr. Kehr: I believe I can straighten this matter out to the satisfaction of Mr. Perelman. Membership in the American Association is based entirely on the rate of your average loan balance at the rate of 50 cents per thousand. Your argument was that the little fellow should not pay the same sum of money as the big fellow does. The little fellow does not pay the same sum of money as the big fellow—but he does pay the same rate of dues as the big fellow; he pays at the rate of 50 cents per thousand on his average loan ballance. If you have a $20,000 office, it would cost you $10 per year to become a member of the A. I. L. L. A. If you have a $50,000 office it would cost you $25—although some of our members do pay more than the assessed rate, because they think they are helping along a good cause.

Mr. Perelman: That is why I am here to-day—that I may learn the facts. I have understood that you have made some changes in your plans and that it is now on the basis as just outlined. If I am correct, when you first started out you did not have any such plan. I believe the big fellow should shoulder the burden in this case, but that everybody should do his mite. I think in trying to show people that you are trying to be fair and just want them to pay what they think they should pay—I think they will revive and take an interest in your organization.

Mr. East: At the end of this meeting I want to see if we cannot induce these people to change their minds—those who have "No" written on their cards. I believe when this meeting is over there will not be one left in this room who is not a member of both bodies—they will realize it is for their benefit.

It is seldom we have speakers with us of the calibre that we have to-day, because of the fact that these men are busy men and they cannot get away from their work. Their work in many, many cases, I know, is undertaken in the spirit of philanthropy and without any hope of remuneration.

I want to introduce to you Mr. A. C. Stein, who will give us a talk that I know will prove highly beneficial, for Mr. Stein undoubtedly is in a position to advise us well, having formerly been a member of the state legislature. He is here to talk to you to-day in the interests of our business, I am sure.

Mr. A. C. Stein, Esq., Pittsburgh.

Mr. Chairman, Ladies and Gentlemen of the Organization:

The chairman has so generously introduced me, and my associate, Mr. Elder, as men who practice law without any hope of reward; but I suppose this is to be taken in the same sense that you gentlemen practice your business—without hope of any reward.

I am at a loss to know just what I can say to you that might prove of interest or beneficial—you see I really know very little of the Lenders' Association, but would like to be a member of the Borrowers' Association; in fact I could qualify for membership in any number of such associations. And while I do not have any particular message for you—yet I do feel that it is up to me to do something to earn the very pleasant lunch I have just partaken of and for the courtesy of your acquaintance. Also I have a feeling that when I am asked to address any body of men and women, when anybody asks my opinion on any matter, there is implied a very great compliment first that I know something that he does not know and then that he is willing to give his time to learn what my opinion may be; therefore, I feel that I have indeed been highly complimented in being asked to speak to you to-day. Nevertheless I was without a text until Brother Perelman butted in with his opinions, and then I thought I had something to say, —and that reminds me of a story:

Mr. Perelman wrote on his card "No" and Mr. East thought he meant "Yes," and there is a vast difference between "Yes" and "No." The story runs like this—or rather the question does—"What is the difference between a banker and a lady if there is any difference?" Now perhaps it has never occurred to you that there is any difference. I see you have here to-day ladies who have solved both sides of the problem. Well, the difference is this:

A banker is a fellow who always says "Yes, oh yes." You have all seen him—the smooth, oily "Yes." When he says "Yes" he usually means "Maybe." If he says "Maybe" he usually means "No," and when he says "No" you know he is no banker, for that means he has refused to loan you the money you wanted.

A lady always starts out by saying "No!" "No," very positively and decidedly, but she usually means—"Well, maybe." When she says "Maybe" you know very well she means "Yes" but if she says "Yes" you know she is no lady. And so with my friend Perelman, after hearing this explanation he probably thinks that like the banker, while he said "No" he means "Yes."

I want to say to you, ladies and gentlemen, that your business occupies a serious place in the community; it occupies a place of necessity—it is a necessity and a vital one, but like any other business it has its short comings; like any other business it has its misunderstandings. There is no business, perhaps, that is appreciated to its full extent, but it would appear that your particular line of business is the least appreciated of any business that I know of. Some men in business seem to have acquired a reputaion for good that is not earned, but you seem to have acquired a reputation for bad that is not deserved, and you have simply got to live down that reputation; it must be overcome.

The question will naturally occur: How should I judge your Association; what opinion should I form as to the merits of your business? Well, I have given your business some little thought, especially in the days when I was foolish enough to devote my time to politics. When I first went into politics I was full of the spirit of reform; I thought I was going to revolutionize everything and I was going to clean up all the evils in the world, and, your business was one of the first that I was going to clean up. Then after I had cleaned up your business and done away with its evils, I was going to clean up the banking business—but like many others I came to scoff and remained to bless.

The very first thing for you to decide is this: does my business justify its continuance. You are not philanthropists. The question of profits, whether it is in your business or the other fellow's business, is the moving force that brings you into the game. Then after you have answered this question to your own satisfaction the next question is: Is this business worth while to the community; is it essential to the community? If you have decided these two questions in the affirmative—and I take it that your continuance in the business is the answer—then the next thing you want to do is to put yourself in the proper light in the community. (Applause.)

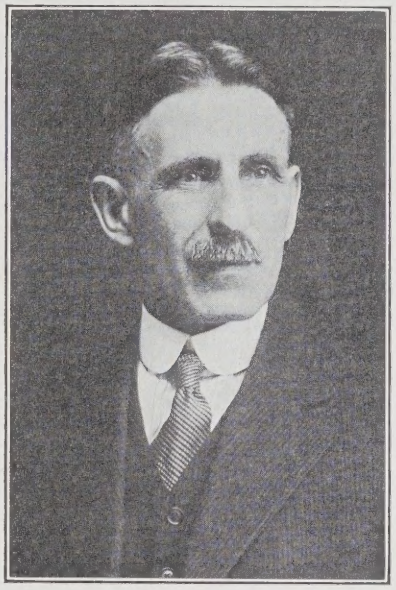
I am not going to belittle your business, but we ought first to understand ourselves, and that is the very first essential, if your business is to be a suc-

cess. As you ladies and gentlemen know, there is a great deal of misunderstanding in the community in regard to your business. There is so much misunderstanding that no single person can clean it up—I don't care how big he is or how important an office he has. I am sure you are thoroughly convinced that your business is worth while; that your interest charges are reasonable. Then comes the question, how am I going to remove this old prejudice, and let me say there is one answer and only one to this very vital question. You will simply all have to unite into one organization; you will all have to work together, because this is too big a problem for any one man or for one group of men—it requires each and every one, in one strong organization, to fight the prejudice which does exist against your business. The question of checking the tide of public opinion, the question of removing the overwhelming prejudice is a far bigger proposition than any one or ten or twenty can ever hope to accomplish. If you overcome the prejudicial feeling of the people in one locality or one state, you have only solved the problem of that community and hence the logical conclusion is that you ought to have a national organization. When you have a strong state organization and a big national organization, when every man in the business is a member of both the state and national organizations, then you will be able to accomplish the desired end in overcoming this opposition to your business, but in order to have an organization that is worth while you ought to have an organization that can count upon the moral support and the financial support of every one in the business.

There is another point you should bear in mind—there never was an organization of any kind whether of builders, architects, lawyers, doctors, plumbers, or any other class, and there never will be that can ever hope to please every individual member. If you think that your organization is going to line up with every individual member you might just as well cease right now, because that will never be. There will always be individual differences of opinion. But let every individual member—and these remarks are not addressed to any particular member, although I am looking straight at my friend Perelman—but let every individual member, I say, submerge his individual ideas for the common good and for the good of all; for when the organization as a whole profits, then each individual will likewise profit.

In closing, my friends, there is one thought I want to leave in your minds. There is a real compliment in asking anybody for his opinion and in being willing to give your time to listen to what that opinion may be, and I shall consider that I have done a good day's work if I can leave with you this one thought—you must have organization and you must have the moral and financial support of every member in the organization. If some of the things that the organization does are not entirely to your liking, don't get disgruntled, but simply decide that your organization is no different from any other. In the office, in the church, in your lodge—you will find differences of opinion; things are not always as harmonious and smoothly running as they should be; even in the home, where there should be no discord, there is often disagreements; so why expect this organization to get along without differences of opinion. Simply make up your mind that you are bound to have them and then go ahead.

Mr. East: We have with us to-day Mr. R. R. Elder, who as an able lawyer has worked first against and then with the small loan business and I am sure that he will give us another message we can learn much from. It gives me great pleasure to introduce Mr. R. R. Elder, attorney, of this city.



R. R. Elder, Esq., Pittsburgh.

Mr. Chairman, Ladies and Gentlemen:

The introduction of the chairman is rather embarrassing because it seems for me to bring a message in relation to the loan business to a body like this is like carrying coals to New Castle, or bringing steel to Pittsburgh. I do not think there is a single man here but knows more about the business than I do. It seems, however, that ignorance is one of the best qualifications to make a man an expert on giving advice. You have all heard the old saying that if you want to know how to bring up a family of children, ask an old maid, for she knows all about it. So that is exactly my predicament. And then another point—there is nothing we like to do so well as telling the other fellow how to handle his own business. Now that I have confessed my ignorance I think that makes me competent to speak upon the subject.

I asked some one what I was to talk about and they told me to talk about anything and everything. Now that is rather a versatile performance and one that I hardly feel able to accomplish. He seemed to think he could have his choice, like the school teacher who was trying to explain to her small charges the difference between poetry and prose and as examples she quoted:

"There was an old woman who lived under a hill."
And if she is not dead, she is living there still."

That, children, she said, is poetry—while for prose we would say:

"There was an old woman lived under the hill, and if she is not dead she is probably living there yet."

And then she asked if any one of her little pupils could illustrate the difference between poetry and prose and little Johnny volunteered with:

"There was an old woman fell down a well,
And if she hasn't stopped she has gone ——

"Say, teacher, what do you want—prose or poetry?"

And now let us take up the question of the loan business. You have heard before to-day that the public does not hold too highly in esteem the business in which you are engaged and it is for each one of you to do your share to put yourself right with the public and you have a very, very large field before you.

The loaning of money and receiving it again with usury, and usury means interest, is as old as the history of the world. And we find that even in ancient days money lenders did not always enjoy the highest respect. In some way or other we have come to think of all money lenders as extortioners—and I believe the writers of history and of fiction have tended to strengthen us in this opinion,—so we have not always had the highest opinion of the business in which you are now engaged. And so you will have to educate the public to an understanding of just what your business is and just what it stands for in the community.

In the olden days, the goldsmith of the community was always the banker. He was the only one who had a safe place where money or valuables could be kept. Then as men found that they were better suited and better able to handle money propositions than they were to handle the goldsmithing and craftsmanship, they dropped the craftsmanship and took up the money part of it—and now we have the modern banker. In the former days, membership in a guild was just as much the guarantee of the goldsmith, or we might term him the banker, as the hall-mark or trade name on his ware was a guarantee of its quality—and so should it be with you; membership in your organization should mean just as much, should be a guarantee of the respectability of the business you represent. You are, in reality, bankers and there is no reason why a banker should not be just as jealous of the reputation of his profession and just as quick to defend and maintain its ethical standards as any other business. The lawyer and the doctor have their standards which they are very careful to maintain, and if the necessity for maintaining standards applies to anybody at all, it applies to the banker, because his business depends entirely upon the confidence the public has in him.

Now I used this word "Bankers"; while you do not claim to be bankers, yet I would say you are, in one sense

of the word at least, just as if you were the representative of a national bank or trust company. There is simply a difference in your methods and probably in the amount of the loan you make and the amount of the interest you charge, but the result to the public is exactly the same. You cannot get along without bankers and I do not believe you can get along without the small money lender—we never have got along without him. Big business is absolutely dependent upon the large financial interests and the destruction of big business would mean the destruction of little business; little business is dependent upon the small financial interests and they are so interwoven, big business with large capital and little business with correspondingly smaller investments, that one depends upon the other—they are inseparable. The destruction of little business would practically bring big business down with it, so that your responsibility is not to be measured by the size of the loan you make. Formerly, the reputation of the man in the small loan business—was such that any man would hesitate to admit that he had any connection with it at all. I think there were two good reasons for that. In the first place, the most distinguished gentlemen who make up our legislative bodies were so busy making laws to control and operate our banks that they overlooked absolutely the man who had nothing but a good name and clean reputation but no bankable collateral. It is very true that "A good name is rather to be chosen than great riches"—a very wise man said that, but he never tried to use a good name as collateral in a bank. Such men, of good name, good reputation, but without finances, have had to have assistance in the past; they will undoubtedly have to have assistance in the future, and the only way they can get it is through the small lender.

In the second place, the very nature of the business attracted men who were a disgrace to any business, and the task rests upon you gentlemen at the present time to show the public that you are not men of the character who have heretofore been handling the business, and that your business is not of the character which they have supposed it to be. Organization is a good thing and organization will help you along that line; will help you to overcome the prejudice against your business. Organization is one way of attaining the desired end; organization is a form of advertising and advertising is the one thing that will accomplish this result for you people. What you need is good propaganda; and a good press agent.

The American nation is the greatest nation for advertising on the face of the earth, but all this advertising is by individuals. It took the Germans to teach us national advertising. Since the war we do not like to look to the Germans, we don't want to think that they could teach us anything, but the fact remains that they can and have taught us the value of national advertising; advertising a nation as a nation. Why, for years before the war they kept their advertising before the whole world —that the German nation was the greatest on the earth; that they had the greatest chemists; the greatest singers; the greatest musicians, the greatest doctors and surgeons, and the greatest efficiency; and they kept on advertising until we believed every word of it. They said they had the best disciplined army the world ever saw and we believed, but there was not a word of truth in it. They did not have the best disciplined army; they had, probably the best drilled army—but there is a vast difference between disciplined and drilled. The best disciplined army in the World War was the army of the United States of America. There were other armies there and probably not one of them but that was better drilled than our own—but the boys making up the United States army were the better disciplined, that is, they all knew how to stand four square on their own feet without leaning on anybody conscious of their own rights, the rights of others, and their relation to others, ready to take care of anything that came up, without waiting to be told what to do. And so, I say, we had the best disciplined army. And in this matter of advertising, in spreading propaganda, you men and women should take a lesson from the Germans. You want to advertise, far and wide, by your own organs, by every other means possible, that the small loan business is here to stay; that it occupies a very necessary part in the community; it has its value; it has been recognized as a business of merit by practically all the states, and laws have been passed which give you a legal existence just the same as any other legitimate business and you can maintain your position in the business world just the same as any other business can maintain its position. You can take the place in the community which you have the right to take and by your own personal actions you can do a great deal to do away with this prejudice which has been built up. It is the old story of giving a dog a bad name. It is mighty easy to acquire a bad reputation, but mighty hard to get away from it, once acquired. You gentlemen and ladies too, have a double handicap. You are engaged in a business that has obtained a bad reputation and it is your business not only to make it profitable, but it is your business to educate the public to the understanding that you do not have a disreputable business. I have some doubts whether, in a community a bank is any better than the small loan office, and you all know the good influence a bank with a wise, honest man at its head has on a community. That man is something more than a banker to whom you shove your money through a window and trust him to take care of it for you; he is your friend and wise counsellor to whom you can go when you need advice—and you men can occupy exactly the same position in the community. You deal with a class of customers the bank seldom comes in contact with; many of your clients are foreigners, and here you have the most fertile field for spreading your propaganda, and you can have a chance to build up your business along the right lines.

And let me add that the character of the individuals who are in the business will have a great deal to do with its reputation. You cannot help it, but the opinion which you form of a man when you meet him will unconsciously be the opinion you form of that man's business. So that while your organization will be all right, and nothing can exist without organization, and it is a splendid thing, yet at the same time it comes back to the personal equation, because the personal equation has more to do with lending money than anything else of which I know. A great many of your customers when they come to you feel that they do not have a friend in the world; some of them cannot understand or speak the English language and when they come to you for help they think they are putting their heads in the lion's mouth. Now there is your opportunity to make that man feel that he is transacting a piece of business, a business proposition between man and man; that he is not asking for charity. Here is your opportunity to send that man away feeling that he has a friend in you and that you are going to take an interest in his affairs and his needs. If he goes away in the same discouraged manner that he came to you you have a very good opportunity of getting a big black mark on your books. And another point you must remember, every customer—whether the impression you create is favorable or unfavorable —will tell his friends what he thinks of the loan business. The foreigners with whom you come in contact in your business dealings are fertile ground, and you have a chance to do something for your own business and for your country, right there, for if you devote your entire attention to the upbuilding of your business, have no interest outside of it whatsoever, then you are a useless man in the community. You have got to be broader gauged than that. Now these foreigners—you have a chance to make friends with them; you have a chance to spread a little Americanization. At the same time you shove the money over to them shove a little word of sympathy, teach them that Americanization they need so badly; show them that they are not strangers in a strange land; that we are their friends and not their enemies and in so doing you will reap the reward—a very material reward, for those men will prove to be your best investments.

I think that Mr. Stein has said about all the good things that I had intended saying, so I am a little at a loss. I do want to say, however, that I am not without appreciation of the courtesy you have extended to me to-day. I doubt if anything I have said will aid you in the solution of your troubles, but to me this has been a pleasant occasion and I trust you will not feel disappointed that you extended to me the invitation.

(*Concluded in the January issue.*)

LOAN OFFICE WANTED.

Owners of established loan offices in legalized states desiring to sell will find ready buyer by addressing

COMMUNITY FINANCE SERVICE, INC.,
705 Penn Square Bldg., Phila., Pa.

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INDUSTRIAL LENDERS NEWS

Official Organ American Industrial Licensed Lenders Association Which Is a Member of the Chamber of Commerce of the U. S. A.

Vol. V. No. 7. JANUARY, 1921. Price, $1.00 a Year.

PENNSYLVANIA.

The annual meeting of the Pennsylvania Association was held in the Ivory Room of the Adelphia Hotel, Philadelphia, at two p. m. on Friday, December 3, 1920.

Chairman E. P. East presided.

Twenty-four members and the following visitors were present: Mr. Fred N. Hillens, F. M. Jackson, of New York City; Howard C. Roberts, of Norristown.

The minutes of the first organization meeting of December 3, 1915, were read, followed by appropriate remarks by Dr. Mueller, one of the men who assisted in the organization of the Pennsylvania Association. It is fitting to note that the first meeting was held on the same day of the week and month and at the same hour of the day, five years ago.

The treasurer reported on hand, December 2, 1920, $86.

The secretary reported a membership of 66—all in good standing as of July 1, 1920. Forty-nine members are also members of the American Association, all in good standing as of August 1, 1920.

Chairman Hart, of the Committee on the Revision of the Constitution and By-Laws, reported progress and that his committee would be prepared to submit a final draft of their recommendations at the January, 1921, meeting.

On motion of Mr. Kehr, seconded by Mr. Moss, the application for membership of James F. Perelman, 204 Wallace Block, New Castle, Pa., and Howard C. Roberts, trading as the Emergency Loan Company, 320 W. Main Street, Norristown, were elected to membership.

On motion of Mr. Ezekiel, seconded by Mr. Moss, the membership of the Central Loan Company at Scranton and Philadelphia, were ordered transferred to the Community Finance Service, Inc., the former concern having been taken over by the latter.

On motion of Mr. Ezekiel, seconded by Dr. Mueller, and after considerable discussion, the secretary's compensation was ordered advanced from $10 per month to $50 beginning January 1, 1921.

On motion of Dr. Mueller, seconded by Mr. Hart, the secretary was ordered to place in the hands of each member, copies of the "Sales in Bulk Act," Public Laws 1919, No. 141, page 262, with a letter urging that a copy be placed in the hands of the member's attorney and warehousemen, but that care be used in its application.

On motion of Dr. Mueller, seconded by Mr. Harris, the following opinion of the attorney general was ordered incorporated in the minutes of this meeting:

Hon. John. S. Fisher,
Commissioner of Banking,
Harrisburg, Pa.

SIR: This Department is in receipt of your communication of November 18th, relative to the Small Loans Act of June 17, 1915, P. L. 1012, as amended by the Act of June 4, 1919, P. L. 375.

You state that a licensee under this law, confessed judgment pursuant to the authority contained in a note given as security for a loan; and you substantially inquire whether the prothonotaries' fee for entry of the judgment, is within the prohibition of section two of the act, so as to prevent the licensee from making his reimbursement for the payment thereof a condition precedent to his participation in the satisfaction of the judgment.

The pertinent provisions of section two are as follows:

"Section 2. Any person, persons, copartnership, association, or corporation who shall obtain a license in accordance with the provisions of section one of this act, shall be entitled to loan money in sums of three hundred ($300) dollars or less, either with or without security, to individuals pressed by lack of funds to meet immediate necessities, at his, their, or its place of business, for which said license is issued, and to charge the borrowers thereof for its use or loan, interest at a rate not to exceed three and one-half (3½) per centum per month. *No fees, fines, or other charges, either in addition to or as a part of the above specified interest, shall be charged or collected under any pretext whatsoever.*"

I am of the opinion that the prothonotaries' entry fee is not within the provision above quoted. The "fees, fines, or other charges" contemplated are examination, renewal or transfer fees, fines for delinquency in interest payments, and other charges designed to circumvent the usury law, and the proceeds of which, belong to the lender; but not court charges incident to reducing a note, given as security, to judgment and in which the lender has no property interests. The prohibition relates to charges of the lender for the *use of the money*, not to charges of a public officer, the payment of which is necessary to *perfect the security*; it is ancillary to the preceding sentence of the section, and its purpose is to make indutiable the legislative intent that the pecuniary return to the lender must not exceed the rate of interest specified in the act.

You are accordingly now specifically advised that the prothonotaries' fee for entry of a judgment on a note given as security for a loan under the Act of June 17, 1915, P. L. 1012, is not within the meaning of section two of said act so as to prevent a licensee from making his reimbursement for the payment thereof, a condition precedent to his participation in the satisfaction of such judgment. Very truly yours.

(Signed) FRANK M. HUNTER,
Deputy Attorney Gen.

The chair took occasion to recommend that members use judgment in the collection of fees charged in the filing and recording of instruments of security, otherwise a misunderstanding might result.

The secretary called attention to the recent unfavorable publicity in Erie and New Castle, as the result of an effort on the part of the Community Savings and Loan Company to sell their securities by attempting to defame the Licensed Lenders in these communities. A letter from Mr. Hubbell, of Erie, and one from Mr. McNab, of New Castle, were read and the unfavorable publicity and the advertisements of our two members combating it were displayed. The chair urged that members be prompted to communicate with the officers, when anything of this character is used in their communities.

The chair urged that the following be given serious consideration by each member: 1. That membership be taken in local Trades Body, Chamber of Commerce, Board of Trade, Rotary or Kiwanis Clubs. 2. That each member be urged to continue the making of small loans, that this field not be neglected and that in our advertising we indicate a willingness to handle business of this character. Dr. Mueller supplemented the chair's remarks on this proposition with the advice that his concern were advertising to make "loans up to $300." 3. That the recent suggestion that local meetings of our members be held, not be overlooked. 4. That the slogans, recently placed in the hands of each member, be adopted in some way or other and used on all literature.

Mr. Kehr suggested that membership by each office be taken in the Retail Credit Men's National Association. Applications and information will be forwarded by the secretary later.

The secretary was instructed to read the following, and on motion of Mr. Ezekiel, seconded by Mr. Moss, it was the sense of the meeting that the Pennsylvania Association does hereby subscribe to the sentiments and that a copy be placed in the minutes.

Questions asked at the meetings of Benjamin Franklin's Junto Club:

1. Have you read over these queries this morning, in order to consider what you might have to offer the Junto touching any one of them?

(Continued on page 2.)

INDUSTRIAL LENDERS NEWS

Established 1916.

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Correspondence and items intended for publication should be addressed to Geo. W. Kehr, 204 Chestnut St., Harrisburg, Pa.

NATIONAL OFFICERS, 1920-1921.

Chairman, C. H. Stratton, Sullivan, Indiana.
Treasurer, J. H. Aufderheide, 860 Lemcke Annex, Indianapolis.
Secretary, G. W. Kehr, 204 Chestnut St., Harrisburg.

VICE-CHAIRMEN.

Conn.—A. S. Edwards, 42 Bank St., Waterbury.
Ill.—Albert Snite, 58 W. Washington St., Chicago.
Ind.—Robert Spencer, Jr., Grant Saving & Trust Co., Marion.
Iowa.—T. J. Harrison, 115½ E. 4th St., Waterloo.
Md.—H. T. Mattingly, 102½ Park Ave., Baltimore.
Mich.—F. E. Stroup, 507 Commercial Bank Bldg., Grand Rapids.
N. J.—J. W. Whitstone, Frost Bldg., Plainfield.
Ohio.—C. C. Woodley, 229 Spitzer Bldg., Toledo.
Pa.—E. P. East, 175 Fifth Ave., New York.
R. I.—W. G. Wood, 268 Westminster St., Providence.
Va.—J. E. Edge, 202 N. 1st St., Richmond
W. Va.—Wirt V. Hawkins, 301 Wheeling Bank & Trust Bldg., Wheeling.
Unorganized States.—R. M. Rutherford, 203 Coleman Bldg., Louisville, Ky.

COMMITTEES.

Chairman, Auditing, R. M. Rutherford, 203 Coleman Bldg., Louisville, Ky.
Chairman, Finance, J. H. Dyer, 404 Commerce Bldg., Columbus, O.
Chairman, Law, F. R. Hubachek, Esq., 610 McKnight Bldg., Minneapolis.
Chairman, Legislation, C. H. Watts, 1011 Chestnut St., Philadelphia, Pa.
Chairman, Membership, L. T. Baker, 109 N. Dearborn St., Chicago, Ill.
Chairman, Publicity, W. G. Wood, 268 Westminster St., Providence, R. I.

The National Council is composed of the National Officers, Vice-Chairmen, and Committee Chairmen.

(*Continued from page 1.*)

2. Have you met with anything in the author you last read, remarkable, or suitable to be communicated to the Junto; particularly in history, morality, poetry, physics, travels, mechanical arts, or other parts of knowledge?

3. Do you know of a fellow citizen, who has lately done a worthy action, deserving praise and imitation; or who has lately committed an error, proper for us to be warned against and avoid?

4. What unhappy effects of intemperance have you lately observed or heard; if imprudence, of passion, or of any other vice or folly?

5. What happy effects of temperance, of prudence, of moderation, or of any other virtue?

6. Do you think of anything at present in which the members of the Junto may be serviceable to mankind, to their country, to their friends, or to themselves?

7. Hath any deserving stranger arrived in town since last meeting that you have heard of? And what have you heard or observed of his character or merits? And whether, think you, it lies in the power of the Junto to oblige him, or encourage him as he deserves?

8. Do you know of any deserving young beginner, lately set up, whom it lies in the power of the Junto in any way to encourage?

9. Have you lately observed any defect in the laws of your country, of which it would be proper to move the legislature for an amendment? Or do you know of any beneficial law that is wanting?

10. Have you lately observed any encroachment on the just liberties of the people?

11. In what manner can the Junto, or any of its members, assist you in any of your honorable designs?

12. Have you any weighty affair on hand in which you think the advice of the Junto may be of service?

13. What benefits have you lately received from any man not present?

14. Is there any difficulty in matters of opinion, of justice and injustice, which you would gladly have discussed at this time?

This being the annual meeting the following report of the chairman, on motion of Mr. Ezekiel, seconded by Mr. Kehr was ordered spread on the minutes and a rising vote of thanks tendered Mr. East.

Friends and Fellow Members:

We are assembled here to celebrate the Sixth Annual Convention of this Coöperative Association.

One year ago you honored me with the chairmanship of this body for 1920. The year is at its close. I am here to respectfully submit for your consideration my final report, together with some suggestions and comments which I hope will not only meet with your approval but that someone somewhere will gain at least one new thought which will result in bringing him into closer and stronger coöperation with those of the Association who have been carrying the greater part of the burden of work and finance as well.

I have not been unmindful of the honor and of all that may be expected of the chairman by each and every member, nor have I been unmindful how much more could have been accomplished had a greater number of our members attended the meetings which were held for their benefit and at as convenient points as it was possible to insure good traveling and comfortable accommodations. Here I desire to express my sincere appreciation to the committees on the efficient arrangements for the holding of these meetings. No visitor was slighted. The speakers were well selected and of an unusually high type. The luncheons were fine. Every meeting has been well attended and many new friendships made, which will to my mind, mean stronger coöperation for the future.

The legislative program in Pennsylvania has not been a busy one, and not being so, Chairman Kehr has been enabled to carefully work out plans for the coming year. The one, big success in the way of legislation was achieved in one state. This was through the efforts of the Russell Sage Foundation with the successful enactment of the Uniform Small Loan Law, carrying the three and one-half per cent. rate into Georgia. It behooves every member of this Association to brush up and be alert for the busy year that is to come in 1921. The legislative activities will reach into many states and who knows when we may be required to march up to our own lines in defense of the three and one-half per cent. rate in the State of Pennsylvania. We should indeed feel grateful for the untiring efforts of our genial secretary, Mr. Watts, during the past twelve months, and for the able manner in which he has represented this Association on so many important occasions. I fear but a few appreciate the time and work given by Mr. Watts to your cause, and to my cause. I therefore earnestly recommend that a more suitable appropriation be made at this session to meet more of the expense incurred and paid by him in the carrying on of our secretarial work.

Treasurer Harris has not only been a good treasurer, but a splendid worker for the welfare of the Association. He has interested himself in getting memberships, arranging for the Pittsburgh meeting and assisting in obtaining splendid speakers. In fact whenever the S.O.S. was sent out by the officers or the executive committee, friend Harris has always responded promptly.

Chairman Hart, of the Entertainment Committee, has entertained us splendidly throughout the year, and his arrangements have pleased all those who were able to share in them.

The Publicity Committee and Chairman Herron, have been active, but they were unable to get near the publicity as in years past. We appreciate their efforts and hope for better success next year.

The Membership Committee made progress in so far as this Association is concerned but there is much work to be done. Therefore I recommend that before the close of the session to-day, that three vice-chairmen at least be appointed on this committee to cover different districts of the state, to work up the membership for the National body and to bring into this Association those who are not members at this time.

There are one hundred and two persons, firms, or corporations licensed to do business in this state, under the 1915 Act, sixty-six of whom are members of this Association. I say why not the other thirty-six? Of our sixty-six members but forty-six are members of the American Association. A one hundred per cent. membership is possible, why do we not make it a fact? These people are either slackers, leaving the work for "George" to do, or need educating up to realizing how badly they need, and will continue to need the influence of this, as well as the American Association. It is the duty of each of us to assist in every way possible to bring about this full membership.

The Executive Committee, under the chairmanship of Mr. Moss, has kept your Association well up to the front in comparison with other state Associations throughout the country. The contribution to the American Association from this body was $2,810 for the past twelve months, which surpassed the amount of any other state Association.

Those who were unfortunate enough not to get to the Indianapolis Convention, missed more than I can explain. It was the most enjoyable and most instructive convention yet held. The paper prepared by Dr. Mueller was well prepared and well received. You must be sure to read it. Mr. Watts was elected to represent us in the National Executive Committee for the ensuing year, as Chairman of the Legislative Committee.

You probably are aware by now, it was voted that a field secretary be appointed for the purpose of traveling from state to state, assisting in building

up state Associations and doing educational work, as well as assisting with the legislative program. Many members do not realize the true value of their membership in the state and national Association, though you will doubtless remember early this year, by a ruling of the Commissioner of Internal Revenue at Washington, the Small Loan Offices, taking salary assignments, were classified as pawnbrokers and required to pay a Federal license of one hundred dollars per year. This matter was taken up by Mr. Hubachek, chairman of the A. A. Law Committee, and through his splendid efforts the ruling was rescinded. The licenses paid thereunder being refunded to the lenders, thus saving the additional license fee of one hundred dollars per year for each office, or five times the annual dues which we pay into this Association.

In Reading another license case was won through the efforts of local members in this body, saving one hundred dollars for each office doing business in Reading. The mercantile tax case in Scranton was also won through unity of action.

The above, I believe, covers in part the activities of the Association during the past year and should be convincing evidence to those who are not in the Association, that their interests will be best protected through membership in this and the American Association.

I am indeed grateful to the other officers, to the chairmen and members of the several committees, and to each and every member for their loyalty and coöperation during the year, without which my efforts would have failed entirely. I am also grateful for the honor and privilege of serving as your chairman and to my successor, I pledge my fullest support and extend my hearty good wishes for a most successful year.

In referring to conditions existing through the United States at the present time, many unpleasant things are happening in the business world. A thorough analysis though, shows that the situation contains more favorable than unfavorable features, and indications point, not to destroy business, but to early betterment. The truth is that the majority of things which are now happening, while temporarily disturbing, are really necessary for the preparation of a right foundation for the rebuilding of a more active business world in the next year and the years to follow.

Self interest demands that we be interested in the wellbeing of others. The man who accepts the responsibilities of citizenship only when they are thrust upon him, is merely doing his duty. But the man who voluntarily seeks and assumes them, and constantly strives to fulfill their every obligation, is an asset to his community and is a good citizen.

Therefore, let us resolve to be good citizens, and to do our full duty towards this Association, towards the National Association, towards everyone in our immediate community, to coöperate readily and more closely with the supervising officials of the State Banking Department, and to live up to the spirit as well as the letter of the law under which we have the privilege to carry on our business. Respectfully submitted,

(Signed) EDGAR P. EAST, *Chairman.*

A report of the secretary approved by an auditing committee, consisting of W. S. Herron and E. P. Cropper, on motion of Mr. Kehr, seconded by Mr. Clark, was accepted and ordered spread on the minutes.

ANNUAL REPORT OF SECRETARY, 11-17-1919, TO AND INCLUSIVE 12-1-1920.

Membership, 11-17-1919, ...		62
No resignations during year.		
New Members accepted during year,		5
Total membership, ...		67
Members in good standing, ...		67
Total Licensed Lenders in Pennsylvania, 11-17-19, ...		91
Total Licensed Lenders in Pennsylvania, 12-1-20, ...		102
Increase, ...		11
Non-Members, Pennsylvania Assn.,		35
Total receipts, 11-17-1919 to 12-1-1920, ...	$1,383 25	
Total disbursements, 11-17-1919 to 12-1-1920, ...	$1,548 68	
Total payment as dues of members to American I. L. L. Assn., 11-17-1919 to 12-1-1920, ...	$2,854 55	

Respectfully submitted,

(Signed) C. H. WATTS, *Secretary.*

A report of the treasurer, approved by an auditing committee, consisting of C. R. Fahringer and Martin Hartman, on motion of Mr. Hart, of Easton, seconded by Mr. Clark was accepted and ordered spread on the minutes.

ANNUAL REPORT OF TREASURER, 11-15-1919, TO AND INCLUSIVE 12-3-1920.

Receipts.

Cash on hand last report, ...$	193 34	
Dues, ...	1,350 00	
Initiation fees, ...	30 00	
Rebate on carfare of A. C. entertainers,	3 25	
		$1,576 59

Disbursements.

Printing, stationery, multigraphing and stamps, ...$	219 94	
Secretary's services, eleven months, ...	110 00	
Entertainment at Philadelphia, November meeting, 1919, ...	81 52	
Lunches and cigars at Harrisburg, May meeting, ...	7 25	
Cigars at Philadelphia meeting, August 20, 1920, ...	3 75	
Lunches, cigars and tips at Pittsburgh meeting, October 28, 1920, ...	20 00	
Publicity, ...	1,100 00	
Expenses of H. S. Hubbell to Philadelphia, on account educational meeting, ...	6 22	
		$1,548 68
Balance in Citizens Savings Bank, ...		27 91
		$1,576 59

Respectfully submitted,

(Signed) C. H. HARRIS, *Treasurer.*

A verbal report of Executive Committee Chairman Moss was made commenting on the three recent meetings of his committee on the subject of publicity recently given the Small Loan Business in two of the leading Philadelphia newspaper. On motion of Mr. Erdman, seconded by Mr. Bachofer, the report was accepted.

A verbal report of Chairman Kehr of the Legislative Committee, was made, commenting on the recent appearance of his committee before the Committee on the Revision of Banking Laws, because of the desire of the Morris Plan of Industrial Banks to secure special legislation. Mr. Kehr asked that Mr. Hart, who attended the hearing, make a further report, which was done and much enjoyed. On motion of Mr. Moore, seconded by Mr. Clark, this report was accepted.

Mr. E. F. Moore read a most interesting paper on the "Advantages of Membership in the Pennsylvania Assn. and the American Assn." and on motion of Mr. Moss, seconded by Dr. Mueller, a vote of thanks was tendered Mr. Moore and the Secretary instructed to turn over this paper to the Membership Committee chairman of both the Pennsylvania and the American Associations for their information and use.

Mr. Harry E. Clark, of New York, read a helpful paper on "Service to our Clients and the Community," which created much favorable comment and on motion of Mr. Hart, seconded by Mr. Wick, the secretary was authorized to distribute a copy of this paper to our members, and a vote of thanks was tendered to Mr. Clark for his careful study of this situation.

Dr. C. G. Mueller reread his splendid paper on "Scientific Methods," which he recently delivered before the annual meeting of the American Assn. at Indianapolis, and was tendered a vote of thanks in slight appreciation of its goodness and of his having rendered it again at our meeting. Dr. Mueller's paper will be found in the Year Book of the American Assn. and the chair urged that each member secure it and study it carefully.

On motion of Mr. Kehr, seconded by Mr. Clark, of Norristown, the following nomination for members of the Executive Committee, for the coming year, was made: Messrs. Ezekiel, Mueller, Harris, Schroder, East, Hart, Moss, Hubbell (Lancaster) and Watts.

On motion regularly made and seconded, the nominations were closed and on motion of Mr. Kehr, seconded again by Mr. Clark, the secretary was instructed to cast one ballot for the election of those nominated and did so, resulting in the selection of Mr. Ezekiel, as chairman, and the balance of the committee were duly elected.

During this time Mr. Ezekiel proposed Mr. Hart, of Philadelphia, for chairman and in a fitting speech, Mr. Hart graciously declined.

Upon motion duly seconded the annual meeting adjourned, there appearing no further business to transact.

Immediately following the annual meeting, a meeting of the directors was held and the following were duly elected for the coming year: E. P. East, chairman; C. H. Watts, secretary; C. H. Harris, treasurer; A. V. Hart, first vice-

chairman; H. S. Hubbell, second vice-chairman.

The chairman immediately announced the following chairmen of committees: Mr. Kehr, Legislation; Mr. Moss, Entertainment; Mr. Hart, Publicity; Mr. Reeves, Auditing; Dr. Mueller, Membership and authorized him to appoint four district membership assistants.

The annual dinner and entertainment was held on the Adelphia Hotel Roof Garden and enjoyed by a large number of members, friends and guests. The music furnished by Senators Orchestra, the stories of John Devlin and the lightning work of "Si Stebbins" with his cards kept the gathering good natured. The artists of the evening were Mrs Laura Kauffman Gerhard, of New York, contralto, and our good friend Harry E. Clark, of the National Equitable Investment Company force. Both responded to several encores. At the speakers' table were Arthur H. Ham, former Director, Division of Remedial Loans, Russell Sage Foundation of New York; Hon. Edwin R. Cox, Philadelphia City councilman, father of the present Pennsylvania Small Loan Act, and T. Henry Walnut, Assistant United States District Attorney, Philadelphia County. If you were present you know a pleasant time was had, if not, then next year come along and enjoy yourself.

Here are the stenographic notes taken of the speeches at the banquet over which Chairman East presided as toastmaster.

The Chairman: Ladies and gentlemen, we have with us to-night as our guest a young man whose name is known from coast to coast, and who has done more to educate the Industrial Licensed Lenders than any man in the United States. Years ago our men thought he was their enemy because he differed in opinion from them. That did not change his attitude, however, and he went right on educating those who were in the loan business, and brought them to see the light, taught them it was time to make a change in the small loan business; and it gives me great pleasure to-night to introduce to those of you who have not had the privilege and pleasure of meeting him, Mr. Arthur H. Ham, Former Director of the Remedial Loan Division of the Russell Sage Foundation.

Mr Arthur H. Ham: My friends: It has been a very great pleasure for me to come over here this evening and meet with those of you I have not met before, and also to renew old friendships, and sit here with my friends, Mr East, Mr. Watts, Mr. Walnut, and the others at this table.

I did not expect (this is what people generally say, isn't it?) to be called upon this evening, and so I did not come prepared to make a speech to you. I cannot convince myself, however, that I haven't something to say, sitting here at the table with Mr. Watts, because we have sit at the same table a good many times before, and we always had something to say, both of us. I know I used to think he was the devil incarnate (laughter), and he thought—well, I don't know what he thought about me, but I feel sure he could have been arrested for what he thought about me.

I wonder if we realize how much we have come along in the past few years. I think if we have no other evidence of this fact we have it here to-night. You know, when the first convention of the American Association of Small Loan Brokers (I think that was the term used then) was held at Atlantic City, someone in the St. Charles Hotel at Atlantic City inquired: "Who is that group of men out there having their pictures taken?" And the bellboy answered: 'Oh, that is the American Association of Short Change Artists!" (Laughter.)

They don't call you that now, I am sure, in fact they had no right to call you that then. It only shows how we have come to be better understood, and what a lot we have gained in becoming better acquainted with one another. Education is a wonderful thing.

This campaign of improving the small loan business has had a good many phases. The most important phase, however, has been the educational phase. For ten or fifteen years now there has been a campaign of education going on. There has been an attempt, first of all, I think, to educate the public generally that the business of making small loans is very necessary; it is a very much needed element in the financial system of the country. The country cannot go on without it, and the men engaged in it are performing a very necessary function. It is a business to be encouraged. It is a business that requires proper legislative treatment and supervision by intelligent state officers in order that decent men and decent capital may be attracted into it. The campaign was slow in starting but it has made a great deal of progress. There has been an educational campaign going on among social reformers—people who started out to improve the business and regulate it without knowing very much about it. They, too, have learned a good deal.

And then too there has been the education of the men engaged in the business. I think they have a great deal to congratulate themselves upon. As Mr. East said, some of them saw the light a little clearer than the others did; they recognized the things upon which the future of the business depended. They gave up their best efforts also in getting together and helping to get enacted the proper legislation and, in that way, came out into the open. They are also to be congratulated upon the program they have set for themselves to keep out the undesirable element by aiding the appointed supervising officers to detect wrongdoers.

They have to felicitate themselves, it seems to me, most of all upon the fact of their being frank, and not trying to conceal anything about the business. Money lenders are now authorized by state laws and the character of their business is now recognized. The public that deals with them knows what to expect in the way of charges and terms and treatment, and you know that is worth a great deal. That is the basis on which this business is going to live.

There is an element in the small loan business that cannot say that. A great deal of time has been spent during the past ten years in trying to repress the kind of money lender who pretends to be something he is not, pretends he is operating on a philanthropic basis when his real business is something different. I hold the old-fashioned idea that anything based on misrepresentation that is not what it claims to be, sooner or later is going to fail. It may be a pretty long wait, but surely some of us will live to see the day that type of concern (you all know what I am talking about) is going to be shown to the public eye at its proper valuation.

My friends, I won't take any more of your time. Personally, it is a great pleasure to be here, and I hope I may have the opportunity to be with you again in the future. Thank you. (Applause.)

The Chairman: Waiting is his game! He waited many a long day before he could get us to see the light, but he was patient and stuck to his subject and to his aim.

Mr. Ham had one of the highest compliments paid to him the other day by Mr. John Glenn, General Director of the Russell Sage Foundation. Before a roomfull of men, Mr. Glenn was big enough to give Mr. Ham the full credit of bringing these men together and making them friends with the Russell Sage Foundation; and he said they had the fullest confidence in the American Association, and it might be well to say that to-day, at the same hour, two o'clock, five years ago, this Association came to light—five years ago to the hour we held our first meeting, and we had the minutes read stating the object of that meeting, and those of you who are here to-night and who attended, that meeting can judge between what it was then and now, and what a few men have brought it to to-day. We have not done it all, but all along the line, especially in Pennsylvania, we have held an open mind, willing to be convinced that these fellows were not as bad as they have been painted, and gave them a chance to clean their business, as Mr. Ham says; and one of the men who worked with us is here to-night, the Honorable T. Henry Walnut, Assistant United States District Attorney, and a former member of the Pennsylvania legislature.

Mr. T. Henry Walnut: I did expect to be called on—I won't take the position that Mr. Ham did. Or rather I expected to be called on until it was announced that the entertainment committee had a long list of amusements. I thought I did not belong to the list of amusements, and decided that let me out, and now I don't know whether I am supposed to qualify as an amusement or as an instructor. I modestly erase myself from the first group, and, of course, like the rest of us, think I know enough to be a very good instructor. However, I am sure I can give everybody very good advice, better than I can follow myself. After being here a little while. I discovered I was invited to a party where I am supposed to be instructive. The first thing I was told about was my face, and then before I get up to speak, I am handed a little present which I find to contain a powder puff! (Laughter.)

But, as I said before, not being an amusement, I decided to be an instructor, and decided to take as my subject three very interesting things. One of them is the loan business. I can talk at length about that because I am no longer in it. I once was in it. The second thing I thought I would discuss (and also a very interesting subject) is the Eighteenth Amendment; and, after that, the Nineteenth Amendment, and I suppose I had material enough to take up the whole

evening. But, really, I am not going to talk very long, and my discussion of the loan business will be a very brief one.

When you instruct anybody about a subject you know very little about, you want to be very careful and sure that the people you are going to talk to know nothing. As I said before, I was in the loan business, and though I didn't stay in it very long, I saved a good bit of money—first, because I wasn't in it very long, and, secondly, because I didn't put very much in. I have decided that the fellow who has little is very much blessed because he cannot lose very much. But I have seen the loan business change, or at least the popular attitude toward it change, just as Mr. Ham says. I started early enough in the game to know what the popular attitude was towards the loan business. I saw it in the legislature of 1913. I was interested in legislation at that time myself. I introduced a bill. Mr. Cox also introduced a bill, and it was his bill that was passed. I remember how the legislature had to be instructed in regard to the business. I remember too what a very difficult and long job it was to instruct the courts. The first bill put in (after the legislature had been properly instructed) was finally passed and approved by the Governor. It went to the courts. But the courts were of the opinion that this was a very iniquitous piece of legislation, and, for that reason, declared it unconstitutional.

After the first bill had been declared unconstitutional, a new bill was introduced into the legislature changing the old bill a very little bit, and then the job was undertaken of instructing the courts in the status of the loan business, and of showing them that this kind of a bill was not the iniquitous piece of legislation they thought it was, and after a very long struggle that lasted for several years (I see several men here to-night who were engaged in that struggle), through the Superior Court and Supreme Court, they were finally convinced this was not bad legislation and the law was sustained. So Pennsylvania is now able to take its position with the other states in the loan business on a proper, legitimate basis.

I think I will now take up the subject of the 18th Amendment to the Constitution. Most of you have heard of it, and I have heard of it everlastingly. I first heard of it when we started out with war prohibition. I want to tell you one story. I remember there was a fellow named Callahan who came to the office one Saturday afternoon a little bit "stewed." He told us a story about someone near Baldwin's who had sold him some liquor; so, on the strength of his story, with other evidence, the proprietor of the saloon was brought in. About a week later they had the hearing, and Callahan was put on the stand and asked to testify. He was quite sober by this time. The district attorney questioned him as follows:

(Q.) "Mr. Callahan, last Saturday you were working at Baldwins?

(A.) I was.

(Q.) And after you were through working at Baldwins, where did you go?

(A.) Across the street.

(Q.) Where did you go when you went across the street?

(A.) I went to Kelly's restaurant across the street.

(Q.) What did you go there for?

(A.) To get a light for my cigaret.

(Q.) What did you get when you got there?

(A.) A light for my cigaret.

(Q.) What else did you get?

(A.) A drink.

(Q.) What kind of a drink?

(A.) It was a drink.

(Q.) What did you ask for?

(A.) A drink.

(Q.) How did he give it to you?

(A.) Out of a bottle.

(Q.) What kind of a bottle?

(A.) Some kind of a bottle.

(Q.) What kind of a bottle?

(A.) A little red bottle.

(Q.) What kind of articles are used or carried in that bottle?

(A.) Mighty handy bottle to carry catsup.

(Q.) Now, Callahan, didn't you come to my office last Saturday and say you had been drinking at this place on Spring Garden Street; in fact you were drunk?

(A.) Drunk—what do you mean?

(Q.) Don't you know what drunk is?

(A.) There are several kinds of drunk; what kind of drunk do you mean?

(Q.) I mean drunk?

(A.) Well, there's 'drunk' in the First Ward, and 'drunk' in the Fifteenth Ward—they're different.

(Q.) Well, you come from the Fifteenth Ward; what is 'drunk' in the Fifteenth Ward?

(A.) Up in the Fifteenth Ward, when a man starts at Broad and Callowhill Streets, and goes out Callowhill Street to the Schuylkill River, stopping in and having a drink on the way now and then, and he scoops up a handful of mud to light his pipe with, we say he is drunk.." (Laughter.)

And that is the kind of a job the district attorney has in enforcing prohibition.

But when it comes to the Nineteenth Amendment—well! When I came here this evening I discovered that the ladies, in addition to getting into politics, had likewise started to participate in the loan business, so I immediately thought of the Nineteenth Amendment. I remember one story about the Nineteenth Amendment, and that is the story that came out at the last campaign. I was talking to a gentleman who insisted on telling me of the stern convictions his wife had. "Why," he said, "she would suffer martyrdom for her convictions." I said, "What kind of convictions has she?" He answered, "That a No. 5 foot can go into a No. 2 shoe."

Now, after discussing my third subject, I think I will, with the chairman's permission, wish you the best of luck with your business. (Applause.)

The Chairman: We have with us a modest young man who has afforded us the pleasure of his company at our different state meetings, and it is my privilege to-night to introduce to you *the man* who has supervised this business in Pennsylvania since supervision was placed in the hands of the Banking Department—Mr. G. H. Orth, the young man at the end of the table.

Mr. Orth: Mr. Toastmaster, ladies and gentlemen: This is entirely unexpected. The toastmaster places me as the supervisor of loan companies in Pennsylvania. I was a little late in arriving this evening, and can only say I am sorry I was not here in time to supervise what you were eating because I remember very distinctly that last summer, at Atlantic City, there was what was known as "The St. Charles Epidemic" at that time; so if any of the guests here to-night suffer from "The St. Charles Epidemic," please excuse the Banking Department and the supervisor from any blame on that score.

I did not come here to-night prepared to speak, ladies and gentlemen, but since I am on my feet, I wish to express to you my gratification at being with you once again and I feel myself definitely among friends. There is no group of men anywhere that I consider better friends than I do the loan men of Pennsylvania. I see them here to-night from all over the state, even a larger representation than last year at Atlantic City—Mr. Harris, Mr. Hartman from Pittsburgh, and a lot more, and I am certainly glad to meet you all again.

You will all be interested to know that we are having absolutely no difficulty now in the department with the supervision of the loan business, no complaints whatsoever received; everyone seems to be satisfied, both lender and borrower, and, with the assistance of my good friends, Mr. East, Mr. Watts, Mr. Cox—who has always been the "knight" for the association—I sincerely hope that the legislature this year will not endeavor to change the present law because it certainly seems to meet all the requirements of both lender and borrower. We have, of course, as Mr. Ham has told you, what we call "pretenders" in the state, pretending they are doing philanthropic work. As a matter of fact, our supervision has shown recently, that it is far from philanthropic. Those persons and those corporations and those partnerships will endeavor at this legislature, once more, I presume, to enact legislation that will permit them to operate not only as loan companies but also as banks, and so on, but I trust and hope that those in authority over me will see that such legislation will not be beneficial to the public welfare and will oppose it.

As in the past, I hope to continue in the future to always be a friend to everyone in the business in this state, whether it be the owners or employees or whoever it may be, I hope always to be a friend who will be cordially received everywhere I may go, and I can only thank you for your receptions in the past, whether official or social, and assure you I appreciate them. I thank you. (Applause.)

The Chairman: You have all heard of the "Cox Act," the one under which we operate at the present time and have been operating for several years. This "Cox" is the little light haired fellow up there and some "scrapper"! His seat was right down front in the house, and when he wants to put over anything, he goes right out in the aisle and puts it over, and he watches it year after year to see that no one tinkers with it. He is a good friend of ours. I have the honor to present to you Mr. Edwin R. Cox, one of the twenty-one who directs the affairs of this city.

Mr. Edwin R. Cox: Mr. Chairman, ladies and gentlemen, this reception rather embarrasses me. I am not used to any such compliments being paid me. However, it is a source of very great gratification to come here to-night and talk to the people who are backing up a law enacted for the benefit of the public.

When Mr. Watts came to me, I asked that I be excused from making any address, but he is a very resourceful chap, as you all know, and he said, "Oh, go on and make an address; make one like the gown of a well dressed woman—short enough to be interesting, and long enough to cover the subject." (Laughter and applause.)

I want to say that I am going to make my address on the subject of the Cox Act and the loan business in Pennsylvania very short, because I believe, just as Mr. Orth has said, that everything is fine, everything is going along in a splendid well-conducted manner under the supervision of that cold but practical man in Harrisburg, Commissioner Fisher, for whom I have the greatest respect, and I believe he has the greatest respect for the law and will not see it tampered with unless some other law is framed that is a great deal better than the one on the statute books to-day, and I want to congratulate you men for living up to the rules and regulations as constituted in that act.

To say that it is entirely my bill would be a farce. I am also very happy to-night to know that my distinguished colleague in the session of 1913, was in the loan business. I didn't know that when he introduced his law but I had a suspicion of it; that is the reason I didn't attempt to handle T. Henry Walnut's bill—I was a little suspicious. However, I want to say that Mr. Walnut, together with Mr. Ham, did yeoman service in that session. I was more than pleased when I saw Mr. Ham around because I knew he was a man of detail and could set us straight. Sometimes I was rather suspicious of Mr. Ham when I saw him with Mr. Watts and a few other fellows, but we got together very quickly when Mr. Watts admitted he wanted to do right, and admitted he had done wrong, and getting together we framed the law you have to-day. So much for your loan act.

There is another thing I want to call your attention to, and that is the law of equal reaction, and I am very much attached to that law. I have sort of been taught it ever since childhood up, and that law of equal reaction means that every act, every deed and every thought will react to the community, to the person or to the party from which it originates. In other words, the world pays us in the same coin we use, and if we are square to the public, there won't be any question that the public will be square with us, so it behooves each one of you who is interested in your business to keep your organization well in hand, see that your understudies are not trying to double-cross the public and put something over on them, for in the long run it will react on what you men are building to-day. See that your foundation stones are well cemented. The public is gradually beginning to understand what the small loan business means; the state officers realize what it means, and so do the judges, though I am sorry to say that five years ago there were narrow-minded judges in the State of Pennsylvania, and, as lawyers told me, if we had not connected up our preamble to our bill so they might understand the bill, it is hard to say what would have happened; that is the only thing that saved us—that "Whereas" and "Whereas" all through. But we had to put that parade before our bill so that the judges might be educated as to what it actually meant. But they are educated to-day. I was talking to one of the judges not long ago and he frankly told me that it was one of the best acts he had read, and he said "It is going to do good." He added, "I frankly admit to you that when it was introduced I thought it was a project going to benefit only small lenders," but, since my observation of the high money rates being paid out for call money, I think the small loan men are to be congratulated on the way they are conducting their business. And I know that to be the fact. When you consider that call money was around twenty to twenty-eight per cent. only a few months ago, you can see what your own business is by comparison.

There is no question in my mind that organization means everything. No man can stand alone, and the man who thinks he can stand alone is only fooling himself. Your great organization would mean nothing if only one man dictated its policies, but, collectively, it becomes like a battering ram with an army back of it—it can do pretty nearly anything.

I again admonish you men to keep your organization well in hand. Have your little fights over your various policies. It is always good. You would appreciate that if you were in the city council to-day where every question is debated. It is very different from the time when everything was done by committees, and sometimes the committee narrowed down to two or three men who would go down to Atlantic City, and in some hotel, behind closed doors, the important questions of the City of Philadelphia would be settled. But to-day, with our smaller council, everything is different; every question is debated before the public, and the public asked to join in and tell us what is right and what is wrong; maybe they do not get all they ask for but they get a great deal more to-day than they ever got before.

You men should realize the value of your organization and have your officers determined that only the right thing shall be done, and if you do this, success will crown your efforts.

I congratulate you, and trust that in the future if there is any attempt to amend the Act of 1915, you men who understand the detail, you men who know every particle of the statements issued by the men who claim to be philanthropists, will defend that act, and do not hesitate to tell the truth, for, after all, "The truth will make us free." And I think it was Josh Billings who said: "Facts are stubborn things," and I have always looked upon "facts" as being the most eloquent thing I have ever known. Lay the facts on the table. Say to them, 'There is the story; it can be verified by facts; nobody can dispute them." And with your facts and figures, and no complaint from city hall, and no complaint from your banking commissioners, what better recommendation can you have than that?

I congratulate you. (Applause.)

The next meeting of the Pennsylvania Association will be held at the City Club, 313 S. Broad Street, Philadelphia, at one o'clock, January 27th. The speaker on this occasion will be Mrs. M. O'Reilly Ray, of the Legal Aid Bureau, Department of Public Welfare, City of Philadelphia, and her subject will be "How Can Small Loan Licensees Best Co-operate with the Public Welfare Department?"

Papers are also to be read by Walter Herron, Manager of the Hamilton Loan Society, Philadelphia, on "Keeping Overhead Expenses at a Minimum," and by Howard Brown, of the field force of the Guarantee Loan Company, on "Building the Personnel as an Investment."

All members are urged to attend and all non-members licensed under the Pennsylvania law will be welcome.

ILLINOIS.

At a regular quarterly meeting, recently held at the Morrison Hotel, the Illinois Industrial Licensed Lenders Association, which organization, together with the majority of its members are also nembers of both the Chicago Association of Commerce and the Illinois Chamber of Commerce, was honored by the presence of Senator Barbour and Judge Trude.

Both of these gentlemen were interested and influential in the passage of the Uniform Small Loan Law in the 1917 session of the state legislature, which law has since that time governed the operation of Licensed Lenders in this state.

Senator Barbour and Judge Trude have been in a position to observe the operation of this law and are well informed as to the conduct of the licensees under the law. They were very profuse in their commendation of the men engaged in the Industrial Loan business and both expressed themselves as feeling that the Uniform Small Loan Law was an extraordinary, important piece of legislation. They stated that the bill had the active support of the Russell Sage Foundation of New York and a great number of Social, Reform and Civic Organizations in Illinois.—*The Illinois Journal of Commerce.*

The following article appeared in the *Illinois State Journal,* Dec. 7:

Complaints of overcharging and extortion on small loans have almost disappeared since the passage of the law regulating business of the so-called loan shark bill, according to the annual report, which has been made by the state department of trade and commerce. The law designates this department to enforce the provisions of the law.

Before the passage of the act the rate of interest on small loans ranged from 10 per cent, to 50 per cent. a month and often more. Under the terms of the act interest cannot exceed 3½ per cent. a month and if more than this is charged, the loan is void. There are also provisions for punishment of offenders by fine and imprisonment.

Under this act there are few foreclosures of mortgages or suits to enforce payment. Substantially $5,000,000 is loaned out annually in this class of

loans in the state. Out of total loans aggregating over $3,000,000 within a certain period, there were 47 foreclosures of mortgages, involving only $7,735; 71 suits involving only $12,898 and 33 confessions of judgment, involving only $2,740.

"It is believed," the report concludes, "the act has saved the necessitous people of the state hundreds of thousands of dollars in interest payments each year."

The following facts relate to the administration of the law are given:

Loans range in amounts from $1.00 to $300, which latter is the maximum permitted.

The average loan in Cook county is $86 and throughout the remainder of the state $91.

Competition among licensees has reduced the rate of interest and the average rate throughout the state is 3 1-10 per cent. a month.

Interest is paid only on unpaid balances of the principal and only for the actual number of days the borrower has the use of the money.

It is not paid in advance nor compounded.

All papers taken in connection with loans are now properly filled in before executed and the rate of interest charged and collected is within the law.

The next meeting of the Illinois Association will be held January 28th, in Chicago, at which time it is possible that the new field secretary will attend, and make a plea for memberships in the national body. All state Association members and non-members are cordially invited to attend this meeting.

Chicago is making a strong bid for the next Annual National Convention, an invitation having already been received from Chairman Albert P. Snite, of the Illinois Association. Unless other cities and state Associations file their invitations promptly, and offer better inducements than are included in the Chicago invitation, it is probable that the Executive Committee will decide on Chicago for the next National Annual Convention to be held some time in the early fall of 1921.

After the above was written, more details with respect to the Illinois Association meeting were received which enables us to announce that the meeting will occur in the Morrison Hotel at 6:30 p. m. Among the special attractions, those who attend are to be favored with an address by Joseph R. Noel, President of the Chicago Association of Commerce, and some remarks from Hamilton G. DeWeese, the newly elected Field Secretary. The National Secretary also plans to attend this meeting, and perhaps arrangements can be perfected which will include the attendance of the entire National Executive Committee.

INDIANA.

Money lenders in Indiana, regulated by the 1917 uniform small loan law, have $6,000,000 capital invested in the business, according to a report Henry Kreamer, loan and credit clerk in the state bank department, has compiled for the state fiscal year, ended September 30th.

A tabulation of six months' business this year shows 154,700 small loans were made. Twenty-six thousand and thirty of the loans were for $25 and less; 17,230 from $25 to $50; 50,590 from $50 to $100 and 30,850 of more than $100. The division collected $27,650 in fees in the year just ended.

"The law has put dignity and confidence in the small loan business," Mr. Kraemer says in his report. "Loan transactions stand on the same footing as other transactions. Indiana should have control of every chattel loan transaction in the state. Regular examinations should be made of each lender so as to protect both the business and borrower."

OHIO.

The Ohio Executive Committee has arranged for the annual midwinter meeting to be held in Columbus February 3d, with headquarters at the Chittenden Hotel. They hope to have with them on this occasion Gov. Davis and Senators DeWeese and Gifford, and possibly other celebrities who may be members of the legislature that will then be in session.

DUES.

On February 1st membership dues will again be payable to the national body at the rate of fifty cents per thousand on the average loan balance of each member for the calendar year of 1920. If a member is located in a state where there is a state Association, the dues should be paid through the state Association secretary. If in unorganized territory dues should be paid to the national secretary. The state and national officers will greatly appreciate prompt remittances.

YEAR BOOK.

About the middle of December the 1920 Year Book came from the press and a total of one thousand copies were distributed among individuals, firms and corporations engaged in the small loan business for profit. Complimentary copies were sent to state supervising officials, public libraries, welfare societies, members of the National Federation of Remedial Loan Societies and a number of public spirited citizens who have evidenced an interest in the proper regulation of the small loan business.

The book contains the principal proceedings of the sixth annual national convention at Indianapolis in September and a list of members who were in good standing in the A. I. L. L. A. at the time the book was published, together with other interesting data. Unfortunately, some confusion resulted in the make-up of the national chairman's address and Dr. Mueller's paper. This is being corrected by the reprints of these papers accompanying this issue of the NEWS.

It was hoped that lenders engaged in the business for commercial purposes would be sufficiently well disposed toward the enterprize to assist in the cost of the production and distribution of the book because of its educational value and many have responded generously by not only paying for the book sent to them but by remitting for additional copies. It is regrettable to note that many to whom the book was sent have not responded at all while others have returned the books sent to them refusing to pay the nominal charge asked to cover the cost of printing and distribution.

COMMUNICATIONS.

LOS ANGELES, CAL., Dec. 23, 1920.

My dear Mr. Kehr:

In my mail this morning I find a copy of the Association "Year Book" for 1920, and while your name does not appear on the wrapper I feel certain that I am indebted to you for this courtesy. I can assure you it is appreciated. A hurried perusal of the contents has convinced me that it is worthy of careful reading as it appears to be full of real meat from cover to cover.

If our law-makers and business men would give up the short time necessary to read each of the articles contained therein I feel quite sure it would prove a revelation to them and at the same time decidely educational, as it sets forth in a clear and concise manner, not alone the aims and purposes of the Association, but what fair and lawful methods have already accomplished. I believe this "Year Book" might be used to great advantage by the Association in connection with your future legislative work in those states where the attitude is still hostile. While I am no longer engaged in the business myself, my interest in the affairs is still keen and literature of this kind I can assure is appreciated.

Again expressing my thanks for your thoughtfulness and courtesy, and extending to you the season's greetings, I remain, Very truly yours,

W. HALL CROWELL.

THREE GILDED BALLS.

There they hang, three golden balls, just outside and above the pawnbrokers' shops. Sometimes frowned upon, as a matter of fact the pawnbroker frequently is of the greatest aid to individuals of the community. The poor and the oppressed can get money of him as a loan on goods that would have little chance for quick sale. And it is only as a last resort that the average man or woman finds himself in the pawnbroker's shop.

Money lending as a business was first undertaken by the Italians, and the people of Lombardy proved highly successful at it. In Florence the great Medici family made the loaning of money on chattels their only means of livelihood.

It happend that the coat of arms of the Medici family showed three gilt balls. Others, noting the success of the Medici family, also began pawnbroking. They adopted the gilt balls as the sign of their business, "stealing the Medici family's stuff," in the vernacular of the street.—*Pittsburgh Press, Nov. 5, 1920.*

FACE TO FACE WITH FACTS

Big results only come out of hard, persistent work.

You simply paying your dues is not enough.

You must *come* to the meetings.

You must give your individual and collective aid.

Do not ask your officers to do all the work.

Be fair, help, do your bit.

Remember your officers are not paid for their services.

And have no axes to grind for themselves.

What they do is for your benefit and good, as well as for the business in general.

Your civic pride and duty demands that you help and keep in touch with the workings of your Association.

You may say or think your help will do no good. This is wrong.

We must cease to be Lounge Lizards.

We must assist our neighbors.

Thereby helping ourselves in the end.

Unless we get on our toes and fight, our organization will die a horrible death.

TO KEEP AN ASSOCIATION ALIVE.

An Association, like the human system, must have all its fundamental arteries properly functioning if it is to be in a healthy, prosperous and flourishing condition, and to judiciously perform the principles for which it is created.

The health and progress of any association is dependent entirely, not on the membership as a whole, but on the individual support of its members both from an active as well as financial standpoint.

An Association that has become "sick" will rarely if ever find any other cause for this condition other than through the "lack of enthusiasm" among its members; if allowed to continue in this state it will die of its own death.

There appeared in a recent issue of the LENDERS NEWS an article that has received wide publicity, through the various commercial and trade publications of the country on *"How to Kill an Association."* Quite a number of methods were offered to bring about the untimely death of an association.

I will attempt to briefly suggest several antidotes, to counteract these "ruinous symptoms."

The primary inception of any association is the gathering together of its members, at a stipulated place and time. There has never yet been a successful plan devised to take the place of personal gatherings of members of any association, that will produce the effect or create the interest, that results in coming in personal contact with fellow members of your association. Therefore be a 100 per cent. meeting attender. There is no justifiable reason for a member to come late to meetings. A late commer is the forerunner of a nonattending member, the first step towards undermining your association. Remember tardiness of this kind, reflects on the member himself as well.

Sickness or death in my estimation are the only reasonable excuses to prevent a member from attending meetings If the former, at least show you were interested, by sending a card to your secretary to be read at the meeting, so that your absence will not leave any bad effect on the other members in attendance. You can further signify your interest in the meeting by kindly asking your secretary to send you a copy of the proceedings.

A nonattending member should never find fault with the work of the Association officers. The fault is usually with the slacking members.

It should be the ambition and aim of every active member to aspire to some office in his Association, no matter how humble or responsible that office may be.

Unjust criticism has been the "knife in the back" of many an Association. Unfortunately most Associations have their "knockers." On the other hand constructive criticism is what your Association craves for.

If you are appointed on a "committee" don't leave everything for the chairman. Remember the success or failure of your committee may depend upon your individual support.

If you are not appointed to serve on a committee don't get sore. Remember the presiding officer usually selects men, whose position or business is such that the desired purpose can best be accomplished.

Don't be a "silent member." Participate in the various discussions of your Associations, for it is only through the exchange of opinions and ideas that causes and effects are remedied. It's no use to try to start a flame of enthusiasm in someone else, if your own mind is full of icy doubts.

The fellow who hollers "clique" is the same guy that would cry "Fire" in a crowded theatre. Shun him as you would smallpox. He should be immediately reported to the governing body of your Association, before he creates a stampede.

If you want your Association held in high esteem by others, remember the promptness with which it discharges its obligations, will depend upon the promptness in which its members pay their dues, or other assessments.

The very life blood of any Association is the amount of new members it enrolls. The more members the stronger the Association. A little missionary work on your part along this line will help wonderfully.

A certain amount of entertainment is essential to the progress and welfare of any Association. The "banquet" is the customary means to this end. These occasions are held at periodical times of the year, usually at a state or national convention.

Members should contribute their proportionate share of the expense incidental to these occasions. It is money well invested. These affairs impart "new life" to any Association.

Show your enthusiasm in these matters by making your reservations in advance, and make prompt returns for all tickets.

The speaker's table is usually reserved for the officers or some prominent invited guests. Their views and talks will broaden your mind, and give you an idea of what outsiders think of your business or association.

You can lighten the burdens of your secretary, by saving him the unpleasant task of sending you a delinquent notice. Send your dues in advance.

If by chance you should receive a notice after you have paid your dues, pleasantly remind him of a "slight error was made." He is not infallible.

The fault may lay with you, in not writing your name and address on your remittance.

Remember the purpose of your Association is to help and protect you on matters pertaining to your business. It may be the "life preserver" of your ship of business. Help to guide it in "turbulent waters."

The strength and power of any Association is usually measured by the number of members it has. You should endeavor to bring in all persons who you know to be eligible to membership, for "In union there is strength."

Don't expect your association to put your competitor out of business, because he uses questionable methods, or because his do not harmonize with yours. You ought to be his guiding star. Show by your example that the means to the end can be accomplished in a legitimate way. If you are reminded of any of your own short comings, accept it in the spirit it is sent. No doubt about it being for your own good.

If your Association is "slipping" don't desert it. A kindly suggestion may be the means of remedying the cause.

Don't try to disorganze your Association by carrying around with you the seed of discontent. It may not only tear down the Association, but your business as well.

Be a booster!

J. J. O'NEILL.

Allentown, Pa.

FIELD SECRETARY.

Out of a great number of applications received for the position of Field Secretary from many cities, and after considerable deliberation on the part of the National Executive Committee, Hamilton G. DeWeese, of Columbus, Ohio, has been elected to take care of the field work in coöperation with other members of the A. I. L. L. A.

Mr. DeWeese was born fifty-four years ago on a farm in Pemberton, Ohio, and began life as a country school teacher, graduating from that position to become a representative of the American Book Company. For the past dozen years or so, he has been connected with a number of administrative departments of the Ohio State government, the last being with the Department of Securities, which supervises the chattel loan business in Ohio. His experiences have given him an opportunity to meet many substantial people in various parts of the country and his knowledge of our business in particular, seemed to the Executive Committee to eminently fit him for the work we have in mind.

Mr. DeWeese's chief duties will be to build up the memberships of the State and National organizations and to look after such legislation as the Executive Committee may deem wise.

We hope that wherever Mr. DeWeese may go, he will be cordially received and that all members will coöperate with him in the important work which he will be assigned to do.

Temporarily he will be assigned to securing memberships in Ohio. On January 28th he will attend the meeting of the Illinois Association at the Hotel Morrison, Chicago, and make an address. Later on his services will be availed of in different parts of the country.

APR 8 1922

INDUSTRIAL LENDERS NEWS

Official Organ American Industrial Licensed Lenders Association Which Is a Member of the Chamber of Commerce of the U. S. A.

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ILLINOIS.

We are indebted to Mr. L. T. Baker, Secretary, for the following interesting account of the January meeting of the Illinois Association:

"True to prediction, the quarterly meeting of the Illinois Association, held January 28th at the Hotel Morrison, Chicago, was big in attendance, peppy in enthusiasm, and pronounced in beneficial results.

"A pleasant social half hour before dinner was enjoyed by new acquaintances being made and by old friends meeting again, while a number of the younger "song birds" poured forth melody to the accompaniment of the piano.

"A very satisfying dinner was served at 6:30, during which we were entertained by an exceptionally pleasing team of male musicians, who, in addition to rendering a number of specialty selections, led the entire group in several songs. A few members remarked that previous meetings of our Association had developed in them a number of latent qualities, but they had never hoped or expected that the musical side of their nature would be in any way affected by Association activities, all of which goes to prove that membership in the Association means a great deal more than is ordinarily credited to it.

"The record-breaking attendance numbered 75, including seven guests, the remainder being members and employees. As guests we had Joseph R. Noel, president of the Chicago Association of Commerce; Charles R. Napier, Association attorney; George W. Kehr, of Harrisburg, Pa., National Secretary; J. H. Aufderheide, of Indianapolis, National Treasurer; Miss Pearl Cartmille, of Springfield, Department of Trade and Commerce; Hamilton G. DeWeese, of Columbus, Ohio, National Field Secretary, and Dr. Taylor, of Chicago.

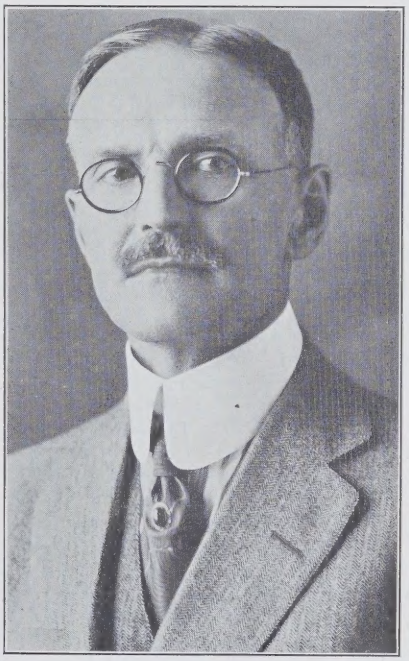
"Immediately after coffee, Mr. Noel was introduced by Attorney Napier and for a half hour Mr. Noel addressed us in a most impressive and pleasing manner, making it unquestionably clear that he looks upon our business as being essential, legitimate, and honorable, and that he highly approves of the methods, ethics and standards prescribed by our Association for the conduct of our business. What he says about associated efforts in any line of endeavor should be sufficient to remove all doubt from the mind of any licensee who is still a non-member, as to the advisability of his joining hands with our already powerful, energetic organization. A complete stenographic report of Mr. Noel's address is included in this report.

"In order to cover another speaking engagement, Mr. Noel left and the business session of our meeting was called to order by Chairman Snite.

"Roll call was dispensed with as established by preeedent and the minutes of our previous meeting were approved as published in the November issue of the LENDERS NEWS.

"Mr. Lynch reported that the treasury balance was $320.03 with all bills paid to date.

"The membership committee report showed that we have at this time 67 members in good standing, 34 of whom are Chicago licensees and 33 downstate. Not included in the 67 are two members who are delinquent six and twelve months, respectively, in payment of their dues. During the interim between the meeting and the writing of these minutes, one of these members resigned because of discontinuing business and one paid one year's dues. In respect to membership, therefore, we now have 68 in good standing.



MR. JOSEPH R. NOEL.
President, Chicago Association of Commerce.

"We have recently had four resignations whose names and reasons were given at the meeting, but since our last quarterly meeting we have enrolled four new members, which offsets the resignations. The new members secured are as follows: J. F. Walsh, Rockford, Ill.; Commercial Loan Company, Danville, Ill.; J. F. Walden, Decatur, Ill.; Arthur F. Miller, Clinton, Ill.

"Mr. Arthur Weinschenk reported for the publicity committee and deserves much credit for the progress he is making in having succeeded in giving this meeting such broadspread public notice. Mr. Weinschenk, however, severely criticized certain statements made in these newspaper items, as they are in many respects misconceptions on the part of the reporters. Handling a matter of this kind is very difficult, indeed, and until the reporters can be educated as to what the business really is, we probably must be content with distorted announcements.

"Mr. Weinschenk then took up the matter of excessive charges on automobile loans less than $300.00, which are being made by nonlicensees and the matter was referred to the executive committee for definite action.

"Under correspondence a letter from National Chairman Stratton was read in which he expressed his regrets at being unable to attend this meeting. Several letters from downstate members expressed their regret also in being unable to attend.

"Chairman Snite then read his correspondence with Mr. George Barr, new director of the Department of Trade and Commerce, by which Mr. Barr was invited to come to this meeting and get acquainted with his new proteges. While he did not accept the invitation, he states that he will do so at a future meeting.

"Chairman Snite then read an invitation he had issued to the National Association that its 1921 annual convention be held in Chicago, and that they come as the guest of the Illinois Association. Mr. Kehr in reply stated that unless some other state offered greater inducements, Chicago would surely get the convention.

"This was an opportune time for Mr. Kehr, who made his first visit with us, to address the meeting and in response to the chair's request, Mr. Kehr proved himself to be quite an orator, as is shown by the accompanying report of his talk. It seems characteristic of our National Secretary that he, at every opportunity, gives loan men good, wholesome advice on the ethics of the business and he seems ever to be thinking of the general uplift of both the personnel and the character of the business.

"Mr. Hamilton G. DeWeese, the first appointed Field Secretary of the National Association, then took up the Association argument where Mr. Kehr left off and gave our meeting an idea of his thoughts and attitude toward organized

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Treasurer, J. H. Aufderheide, 860 Lemcke Annex, Indianapolis, Ind.
Secretary, G. W. Kehr, 204 Chestnut St., Harrisburg, Pa.
Field Secretary, H. G. DeWeese, 1948 N. High St., Columbus, O.

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Ill.—Albert Snite, 58 W. Washington St., Chicago.
Ind.—Robert Spencer, Jr., Grant Saving & Trust Co., Marion.
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Md.—H. T. Mattingly, 102½ Park Ave., Baltimore.
Mich.—F. E. Stroup, 507 Commercial Bank Bldg., Grand Rapids.
N. J.—J. W. Whitstone, Frost Bldg., Plainfield.
Ohio—C. C. Woodley, 229 Spitzer Bldg., Toledo.
Pa.—E. P. East, 175 Fifth Ave., New York.
R. I.—W. G. Wood, 268 Westminster St., Providence.
Va.—W. F. Bradshaw, 105 W. Main St., Norfolk.
W. Va.—Wirt V. Hawkins, 301 Wheeling Bank & Trust Bldg., Wheeling.
Unorganized States.—R. M. Rutherford, 203 Coleman Bldg., Louisville, Ky.

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Publicity, W. G. Wood, 268 Westminster St., Providence, R. I.

The National Council is composed of the National Officers, Vice-Chairmen, and Committee Chairmen.

(Continued from page 1.)

effort. Mr. DeWeese expects to appear before a number of State Association meetings, but is confident that his best work will be accomplished by personal contact with the individual member.

"Mr. John Monahan, a Chicago licensee, who attended the first annual convention of the Illinois Chamber of Commerce, held at the Sherman Hotel, Chicago, November 18, 1920, as a delegate from our Association, reported on that meeting. Mr. Monahan went rather into detail as to the method of procedure, the objects of the Illinois Chamber of Commerce and the character of the men who constitute largely its membership. His report was very interesting and led up to a very eloquent plea made by Mr. Henderson for memberships in both the Illinois Chamber of Commerce and the Chicago Association of Commerce. Mr. Henderson talked at length on the advisability of our members joining these commercial bodies and made such affiliations appear as almost essential to our progress. His arguments were so good that the following members signified their willingness and desire to join the Illinois Chamber of Commerce: A. A. Erd, Charles Turgrimson, Arthur Weinschenk, A. C. Broughman, J. H. Aufderheide. Messrs. Biederman and E. E. Erd will join the Chicago Association of Commerce.

"Mr. Harbison then made supplementary remarks on the Chicago Association of Commerce and the Illinois Chamber of Commerce and also made reference to the National Association Membership campaign, which was to be formulated by Mr. Kehr, the National Secretary, Mr. DeWeese, Field Secretary, and the Chairman of the National Membership Committee on the following day.

"Mr. Harbison spoke in favor of each State Association paying $10.00 to the National Association for each new state member secured by the Field Secretary. This suggestion was made at our meeting by Mr. Kehr and the matter was finally referred to our Executive Committee for final determination.

"Attorney Charles R. Napier then made a very interesting report on the Trustee System, outlining their methods of incorporation, stock-selling plans and expressing his viewpoint on such, based upon observation as to the usual course of such undertakings.

"Mr. Napier also brought us a very good message in respect to the city council's attempt to in some way affix a city license upon our business. He gave us assurance that such could not be done under our present state law. Mr. Napier's talk, as usual, was very pleasing and full of encouragement.

"Our chairman, having provided a box of large, delicious apples, we diverted from business for ten minutes and tossed apples from the speaker's table to those present and the ball players in the crowd enjoyed that game as well as eating the apples.

"It was then announced that Mr. W. P. Woll, of Chicago, would read a paper on "How Should Licensees Conduct Their Business in View of Present Industrial Conditions," and everyone immediately settled down for another mental treat with renewed interest and undivided attention. Mr. Woll did not disappoint us and to give everyone the benefit of his remarks, what he said is published in connection with this report.

"After a brief discussion on Mr. Woll's paper, the meeting was adjourned."

Stenographic notes of the addresses made follow:

Mr. Albert P. Snite presiding.

Mr. Napier: *Mr. Chairman and Ladies and Gentlemen:* Since history began to record the activities of the human race, the people who excelled in commerce were the people that led the world, and despite the changes wrought by the centuries, that fact remained. What is true of races and of nations is true of cities and of groups.

We are a part of the Chicago Association of Commerce. We sympathize with its purposes, and with its ambitions. We believe that it is typical of the greatness of Chicago, and of the achievements of Chicago's famous sons.

We are honored to-night by the president of that great organization; and it is my distinguished pleasure to present to you to-night, ladies and gentlemen, Mr. Joseph R. Noel, the president of the Chicago Association of Commerce. (Applause, the audience rising.)

Mr. Joseph R. Noel: *Mr. Chairman, Mr. President, Ladies and Gentlemen:* I cannot help thinking of a story relating to Mr. Bryan. It seems that he was boasting of his ability to pick out a Democrat. And in an audience he pointed to a certain man, and he said, "This man right back here, next to the door, you are a Democrat, are you not?" And the man said, "Yes, Mr. Bryan, I am a Democrat." Mr. Bryan's chest swelled, and he turned over in this other direction, and he said, "There is another one in the audience, right over by that post, about the thirteenth row, back there. Yes, that is the man. You are a Democrat, too, are you not?" The gentleman spoke up and said, "Yes, Mr. Bryan, I am a Democrat." Mr. Bryan felt very proud of his efforts and of his success, and so he looked over toward the other side and he said, "There is a man over there, about three seats in from the aisle, right near that door. Yes, you are the one. That is the man. Stand up, please. Are you a Democrat?" And the man stood up and he said, "Well, Mr. Bryan, I been in the hospital for eight weeks. I know I look like hell." (Laughter.)

I do not know what you expect the president of the Chicago Association to look like (renewed laughter). They promise me anyhow that I will get fed up this year, and get a little fatter, owing to all the banquets I attend and all the luncheons that I go to, that I will surely be fed up. I certainly have enjoyed this dinner to-night. I have enjoyed being with you, and I have enjoyed the fellowship of this gathering.

I want to congratulate you men on what you have done. In a distinctive sense you have pulled yourselves up by the bootstraps, one of those impossible phenomena. You deserve enormous credit; and I do not know of any words I could use to properly express by appreciation of what you have done to better your own internal affairs.

I think, when an association or a body of men, or men individually, can do that, they deserve more credit than if they are compelled to, and are not so willing to do, as you men have done.

I want to congratulate you, and I want to let you know that the Chicago Association of Commerce appreciates that. We appreciate all efforts which tend to better conditions, and we certainly feel very highly pleased to think that Subdivision No. 55 of our Ways and Means Committee consists of you gentlemen.

There are several points of contact between yourselves and myself.

In the first place, I happen to be in the banking business, and I have always had extreme difficulty in trying to show a man on a hundred dollar loan, why he should pay perhaps seven per cent. interest, rather than six per cent. interest a year, because of the size of the loan and the small amount of income, naturally, that it hardly paid us to put it on the books, to make merely a hundred dollar loan.

And yet there is not a very much more disagreeable task pertaining to my business than to undertake to make it plain to a man why he should pay seven per cent. interest rather than six per cent. on a loan of one hundred dollars.

And now that you gentlemen are conducting your business in the way you are, in a highly creditable and legitimate business, it is a great satisfaction to be able to refer people from the banks to you, in order that they can get the accommodation they need and desire and

deserve, and yet to pay a rate which is commensurate with the conditions. I do not know what I would have done in my earlier history,—I do not know what my father would have done years ago, had it not been for men of your class. I have seen times when money was worth a thousand per cent. a year to me. And yet there is a peculiarity about men, who seem to think that they ought to get a service for nothing; and while they are anxious to take it at any price beforehand, they are not willing to do their part and come through after they have gotten the service; and they condemn the man who has really helped them out.

So my understanding of your situation has been somewhat keener than that of men who are not in my business, and men who have not had my experience; my sympathy with your problems is perhaps developed a little more keenly.

I am asked to-night to tell you something about the Chicago Association of Commerce. Naturally I specialize in that subject at this particular time, and I like to talk about the Chicago Association of Commerce.

I had the pleasure some years ago of meeting Rex Beach, the author. Perhaps some of you have read his novels and his stories. And he told me a very interesting history of his own life, how he was formerly a Chicago attorney. And he did not set the world on fire in Chicago, and he thought perhaps the people of New York City might be more appreciative and he moved on there, but with the same experience. And he thought the world was all wrong; everybody was out of step but him; so he thought he would change his fortunes and go to Alaska. And while there people did not flock to him as a lawyer; and, of course, he passed the buck and blamed the conditions. He did not for a moment realize that he was perhaps a little young and inexperienced, and maybe he did not know his own business very well, but he thought it was the other fellow who was to blame; but anyway he blamed it on the conditions that prevailed in Alaska, and he thought it would be a fine thing if somebody could only expose the wretched conditions that were existing there, to turn the searchlight on them, if you please, and give the under dog an opportunity and a fair chance. He tried to think of somebody to do that job, but he could not. And in sheer desperation he undertook it himself, and he wrote what is called a fact story, and submitted it to a magazine, which promptly rejected it; to another, which turned it down, and finally a third, I believe it was, did accept it. And immediately the publication came out, with this fact story in it, it made a great hit, and he was importuned right and left by other publishers to submit stories, and by still other publishers to produce dramas, etc.

And therefore his first novel came into being, "The Spoilers"; and he told me it was the most difficult work to put himself into a condition to tell what he wanted to say, in story form; that his natural method, his natural training and his inclinations were all along the line of telling a fact story, but that the American public did not care for fact stories, and he was compelled to write what he did in the form of fiction.

What I am going to tell you to-night is a fact story, regardless of Rex Beach's experience, with the hope that it will be interesting to you, and in the event that it is not, I shall not at any rate weary you very long.

The Chicago Association of Commerce numbers six thousand seven hundred persons, firms and corporations in its membership. It is one of the largest —not actually the largest—until a few days ago we supposed we were the largest—but it is one of the largest commercial organizations in the country, and it is one of the most influential.

It is seventeen years of age. It embraces all classes and conditions of men and businesses. Its great object is to promote Chicago markets and incidentally to improve Chicago's civic and public welfare.

It functions in a way which may be of interest to you. It has the usual board of directors or executive committee, a senior council which acts purely in an advisory capacity; the usual officers of president, vice-president, secretary and treasurer; and it also has vice-presidents who represent three of its main divisions, the great three main divisions of the Association; the Interstate and Foreign Trade Division, the Civic Industrial Division and the Local Division.

The executive committee is the governing body of the Association. It meets every week, and it has to do with all of the committee work which is referred to it, and all other matters which are initiated elsewhere in the Association. It is, you might say, the great governing body and the important body of the Association.

The president and vice-presidents and other officers perform the usual duties pertaining to their offices. The Interstate and Foreign Trade Division, presided over by one of the vice-presidents, this year, has to do with the Chicago market, commerce and trade, trying to bring buyers to Chicago; having to do with everything pertaining to trade and commerce.

They frequently go on trade extension trips: one last year to Mexico and one to the Pacific Coast. They plan this year to have, in conjunction with Mayor Thompson and the Chicago Boosters Publicity Club, a large show on the lake front, or rather on the municipal pier, under the name of Pageant of Progress. The mayor of Chicago had originally intended holding this event in September, I think, beginning with Labor Day, but in order to combine the forces which he had at his command, with those that the Chicago Association of Commerce had at its command, he has very gladly come to the gate of the Chicago Association of Commerce in the matter, and we will all combine now to put over one great big Pageant of Progress at the municipal pier, and elsewhere, early in August of this year, which will probably bring thousands of people to Chicago, who are coming here in increasing numbers every summer, because Chicago is more and more of a summer resort, and is being regarded as such. And it will hold people in Chicago who otherwise might go out of Chicago. The increasing attractions of Chicago are keeping people in the city each year. Those who are not in a condition, financially or otherwise, to go out of the city, realize as the years roll on, that more and more is being done to keep them here and to make them enjoy themselves, and to permit them to enjoy themselves.

This will be done under the auspices of our interstate and foreign trade committee. That will be a big affair; and all the facilities and agencies and all the strength and power of the Chicago Association of Commerce will be put behind this great, big, outstanding market feature this summer; and it will remind some of you of the old Exposition days down on the lake front, perhaps.

That in a moment gives you a glimpse of what one division of the Chicago Association of Commerce is trying to do.

The next is the Civic Industrial Division, to which I referred a moment ago. That division is presided over by Mr. Judson F. Stone. It has to do with the location of industries in Chicago, trying to get them to come here and locate, and to make them feel at home and comfortable when they do come here. It has relations with the civic welfare of Chicago in every respect. I like to think of that division as being the one that has the civic office or function of our Association to perform, and it is continually undertaking to improve not only industrial conditions but public welfare conditions in the city. Lastly, of the three divisions, we have what we call the Local Division, and that Local Division is chiefly concerned with bringing conventions to Chicago. There were over seven hundred conventions brought here last year. Only a dozen years ago a convention was so rare in Chicago that the newspapers were filled with items about it. To-day we have two and three a day, and they are so common that the newspapers say nothing about them. We ourselves do not know how many conventions we have in this city. It is like having a good stomach: you do not know you have it. When it gets out of order you do know that you have a stomach, but not otherwise.

It is largely through the efforts of this Local Division and local committee of the Chicago Association of Commerce that these conventions have been brought here.

Incidentally, I want to tell you that it is some job on the part of the officers of the Association of Commerce to supply the requests for speakers for these various conventions, who all want either addresses of welcome or set addresses upon occasions.

I am reminded just this moment, of an interesting incident which occurred only a week or so ago with me, when I was addressing a certain convention with a word of welcome. I was speaking on the subject of coöperation and the advisability of attending conventions, how they broadened one out and how educational they were, and how we always got pointers at these conventions that were of value to us. I cited an instance which occurred in the neighborhood of where your president and I used to live years ago, about a tailor, a merchant tailor, who had a Russian dog. My wife and I used to comment upon it. This tailor was very much inclined to stay indoors all the time. He never went outside, and he did not know anything beyond the four walls of his store. And he stayed inside so long that he actually grew to look like the dog.

Now that I mentioned that in passing, when I was talking, and after I had concluded my address, I made my escape. A few days afterwards the reporter who had been attending this convention wrote me a letter and he said, "Apropos of your remarks the other day, you would perhaps be interested in the following, which I quoted from the remarks of the gentleman who followed you. This gentleman went on to say:

"'Mr. Noel scared me to death. I have at home an Airedale and a bull, and I am afraid, if I do not go to these conventions in future, I do not know which one I will look like, the Airedale or the bull.'" (Laughter.)

It is some little job, gentlemen, to comply with the requirements of speaking, in behalf of the Chicago Association of Commerce.

I want to speak of the work of a few of the committees. I just wish you could visualize for yourselves the invaluable services we get from these committees. Men who are too busy to attend to their own business even, who cannot get away with all their own work in their own offices, are yet willing to give us their time freely and unstintedly and for no compensation.

I refer especially to men like Harry A. Wheeler, vice-president of the Union Trust Company of this city, a man who is never too busy, never too overloaded with his own duties, to give his time freely and unstintedly to the Chicago Association of Commerce.

Speaking of Harry A. Wheeler, I am reminded of an incident that occurred at one of our ways and means committee meetings held a couple of years ago or so. Perhaps some of you men were present at the time. It appears that he was to speak on that particular day on the subject of the Fuel Administration. I believe that was the subject; or rather, the subject of fuel or food conservation. I believe that was it. He was detained; and there was a little embarrassment experienced by the chairman, and others, because he was so late in coming.

Finally he bounced into the room, and without any hesitation, the chairman proceeded to introduce him. He said, "Gentlemen, our speaker has been detained, and I am going to waste as little time as possible in presenting him. He needs no introduction. I therefore take great pleasure in presenting Mr. Harry A. Wheeler, with whom most of you are well acquainted." And Mr. Wheeler arose, and addressing the chairman said: "Mr. Chairman," and then addressing the audience he said (in a tone of voice scarcely louder than a whisper), "I am very sorry, but I have a very bad case of laryngitis, and I cannot address you to-day. I will come some other day. I thank you very much," and took his seat.

The committee having been advised of this situation, had called in our friend John Shoop, our beloved superintendent of schools, who died a few months ago; and Mr. Shoop was one of those good fellows, who was always ready to respond and always willing to fill in upon occasion; and he had offered, under the circumstances, to occupy the time which was reserved for Mr. Wheeler, and so he was introduced. He said, "Mr. Chairman: Of course we all know Harry Wheeler. and believe that he is a man of his word, and all that, but I cannot help thinking of the time when there was a man on a Santa Fe train who made it his business to inquire the business of everybody else on that train. He was one of those restless creatures, and very inquisitive, and he wanted to know what everybody else on the train was doing and where he was going and why and so on; and he approached one man and said: 'Where are you going?' and the man said (in a whisper): 'Arizona.' 'Arizona?' (In a whisper) 'Yes.' 'What is the matter?' (In a whisper) 'Lung.' 'Lung trouble? Well, that is too bad. Where is the trouble?' (In a whisper) 'Right lung.' 'Your right lung? Well, certainly, that is too bad. How is the left lung?' And the man said, in a loud and resonant voice, 'Oh, that's all right, the left lung is all right.'" (Laughter.)

I never saw Harry A. Wheeler flabbergasted before, but he was unable to answer that argument that day.

The value of the service that we get from these committees, gentlemen, is absolutely past your realization, unless you know the situation, and unless you have lived with it as I have, for seven years.

I do not know of any finer thing that has been done and is being done for Chicago than the service that is performed by these men. The same degree of service that is performed by your Subdivision No. 55 of the ways and means committee, is a token and an earnest one of the service that is performed by the others on the standing committees; and is absolutely a matter of the greatest gratification to all of us to think that we have that type of men, who are willing so unselfishly to give themselves to Chicago and to her needs.

We have something like thirty-five standing committees. It is marvelous how they function. It is the most highly organized piece of machinery that I have ever seen, and I have seen a good many.

Matters originate in various parts of the Association's activities, and are referred to the proper committees, and they meet and digest the matter, and refer it to the executive committee for recommendation or rejection or whatever it may be; and the matters are despatched and expedited, just like clockwork, as you might say.

I am not going to take your time,—I know you have other speakers and you have an interesting program of your own and business to attend to to-night,—I am not going to take your time to refer to those committees, with the exception of possibly one or two; but I am going to speak of the one that some of you know the most about, and the one which I have referred to once or twice in these few moments; and that is the ways and means committee. You know, sometimes the things that are closest at hand are the things we least understand. The things we are most familiar with are the things that we can be told a whole lot about.

You have seen a great many examples of that, as everybody else has; and even though a number of you gentlemen in this audience may attend the meetings of the ways and means committee, which are held regularly every Wednesday, I want to say some things about that meeting, which will perhaps be of interest to you if not news to you.

In the first place, that meeting is the largest meeting of its kind that is held in the world. Of course, in Chicago we are very much given to the superlative degree in our adjectives, and we are accused by our friends in all parts of the country as being very boastful. But it is true that there is no meeting in the world that compares with that ways and means committee meeting of the Chicago Association of Commerce, for a meeting that is held regularly every week, and at noontime. We start the meeting at about 12:15. The speaking begins at one, luncheon having been served in the meantime; and the meeting almost invariably adjourns at 2 o'clock. It seldom passes beyond that hour. It is an unwritten law in the conduct of our Association affairs, and particularly of that one committee, that it shall adjourn at 2 o'clock.

We have speakers from all parts of the country, and sometimes from distant parts of the earth, who consider it a very great opportunity and privilege to be able to deliver their message to that forum, the like of which does not exist in any other part of the world.

Last year our average attendance was 417 at that meeting, and I think we had 55 or perhaps 56 during the year,—all of the Wednesdays and one or two special meetings besides.

Now, 417 for one meeting or two or three meetings is not a very big average; but for 55 or 56 meetings, ladies and gentlemen, it is some average.

I wanted to speak of this right now, with a view later of having those of you who are not regular attendants upon those meetings, come there. You are not only entitled to come, but you are welcome, and we are anxious to have you come. We feel that this is a thing we all ought to understand and participate in and enjoy; and we get the most noted speakers of the United States; and as I have indicated, sometimes from other parts of the world there; and it is a thing which you ought to enjoy. You are entitled to it, and we would feel honored to have you and all the other members of the Association come and there fill the house every time. It encourages the speaker to know that he is addressing a large meeting.

The largest meeting in the history of the Association, of that committee, was had when Captain Carpenter was there. Captain Carpenter as you may recall, was in the British Navy, and was identified with the Zebrugge affair. We fed fourteen hundred people in those two rooms, the ballroom and the red room; and after they were fed we crowded sixteen hundred people into the ballroom. Sixteen hundred people heard Captain Carpenter.

So I want to extend to you a most cordial invitation to be there every Wednesday. There is no formality. Come there and buy your ticket for luncheon and sit down and make yourself comfortable.

I want to tell you about an incident that occurred up there only a few months ago, right in that connection. I am reminded of it this moment.

One evening at our home, my wife and I were entertaining a distant relative of mine from St. Louis. She hap-

pened to ask me if I know a man by the name of Sudler. "Sudler? What business is he in?" "Lithographing." "Where does he live?" "Cedar street." I said, "No, I don't happen to know him, but at first"—and that is why I asked the further question, "I thought you might have referred to Mr. Suder, who was in the advertising business, and who lived in Oak Park, and whom I knew very well."

The subject was dismissed, and the conversation changed to some other subject.

The very next day I attended the ways and means committee meeting. I saw a table where there was a vacant seat, and I went over to it and sat down and turning to the gentleman to my left and I said, "My name is Noel." He said, "My name is Sudler." I said, "Sudler? What business are you in?" "Lithographer." "And where do you live?" "Cedar street." I said, "Do you happen to know Mrs. So-and-so of St. Louis?" "Very well, indeed." In all the years of my residence in Chicago I had never met Mr. Sudler before. One man out of perhaps a million and a half of men; to think that I should have met him the next day after his name was first mentioned to me at my home the night before. It is the greatest opportunity for you in the world to make friends right there at those meetings of the ways and means committee. Don't be afraid of going. And don't be afraid to make acquaintances. Go ahead and introduce yourself to the fellow on your left, and to the fellow on your right, and you will find that they are just as anxious to get acquainted with you as you are to get acquainted with them, and you will have a good time together.

That leads me to the thought that I want to close with, the opporunities for friendship in the Chicago Association of Commerce. I do not know of anything that compensates a man for hard work in the Association of Commerce quite so much as the friendships that he makes.

Many of you have heard of Frederick P. Vose, one of the finest spirits Chicago has ever produced. At a little party which was given him a little over a year ago, I think by the membership committee, if I remember correctly, there had been much jollity and rollicking fun and sports and merrymaking generally; and at a late hour he rapped for order, and apparently in an absolutely spontaneous way delivered this little epilogue, which fortunately was taken down and preserved for all future time.

We ring down the curtain;
The play for the night is done:
We doff our wraps, turn in our books;
But ere we break up, we will pledge to
one another
In fellowship's kindly brew.

You who may have journeyed with me for years also the Association's way, and you who have traveled a shorter space have come to feel the grip yet again, the guaranties and gratifications of friendship. And sweet and precious are my friends to me; through all the happy, care-free days of childhood I had my joyous playmates, engines, soldiers, cave chums, companions, friends.

As young manhood came, with its conflict of emotions, its exhilaration and depression, its sensitiveness and its callousness; there close by were my considerate parents, teachers, confidantes, pals and friends.

And now, while the burdens and perplexities of those challenging days test the temper and manhood of my maturer life, I have my helpmeet, brother, associates, intimates, friends.

But when the eyes grow dim, hair whitens, and the mind loses its play, should the mistakes of yesterday rob that present of its peace and the future of its hope?

Oh, then, turn not away. Stand up, hold firm, staunch friends.

Finally, when my little work is done and the world absorbed and hurrying on, I am left alone, and the wintry night is black and long, fail not in that last hour, true friends; come, come with the light of loving eyes, the warmth of a tender heart, the faith of a soul that understands; come, and to the end be my friends. (Applause.)

Mr. Napier: Gentlemen, I feel that I should say something with reference to Mr. Noel. I became acquainted with him about twenty years ago. He is a typical busy Chicago business man. He is the president of a large and prosperous bank; and yet he is giving about half of his time to the service of his city, without any recompense whatsoever. I envy that man to-night. I wish that I might grow to be more like him.

And I move a vote of thanks for the courtesy that he has shown us in coming here and addressing us to-night.

(The motion was duly seconded and was unanimously carried by a rising vote.)

Mr. Noel: I thank you.

(The meeting thereupon proceeded to the consideration of a certain order of business; after which Mr. G. W. Kehr was called upon to speak.)

Mr. G. W. Kehr: If you would let me sit here quietly, and not ask me to make a speech, I would be very happy.

Mr. Baker, who is chairman of the National Membership Committee, and others who wanted me to work out certain plans with them and Mr. DeWeese, with respect to Mr. DeWeese's efforts in the next six months, are responsible for my presence here on this occasion. I did not anticipate that I would have to talk, although there were many things that went through my mind as to what I would like to say if I ever had the opportunity of addressing this Association.

I believe it was Pennsylvania that organized the first state organization of this kind. Pennsylvania celebrated its fifth birthday on the 3d of December last. On the 16th day of April of this year the American Association will be five years old, and I believe very shortly, if you have not already passed it here in Illinois, you will have celebrated your fourth birthday. I believe your organization came into being shortly after the enactment of the 1917 law.

Well, at any rate, if it is four years ago since you were organized, it is equally that long that I have craved this opportunity, not because I can talk, but because I wanted an opportunity to say how much pleased and how well I have been sustained in the work that has been assigned to me by the Illinois Association since its very inception.

It has been a great source of pleasure and comfort, and it has helped us on in our national work, first to have secured the enactment of a uniform law here in 1917. It was a great victory to have it sustained by the Supreme Court of your state. It has been a great thing to have had connected with you a man like Mr. Napier. I am glad you so fittingly recognized the great asset you have in Mr. Napier by the resolution adopted here this evening.

It is certainly a fine thing to interest men like Mr. Noel and others, who have addressed you at these meetings, in the work in which we are engaged. It shows that we are progressing more rapidly than any of us dreamed a few years ago. It shows very clearly in my mind that the business is being recognized by the people who make public opinion. When you can get a man like Mr. Noel to recognize the necessity for the "scientific" rate and get him to say so here in a public gathering, you can quote that all over the United States, and say that the head of the largest business men's organization in the world, practically speaking, said so and so.

Have you ever thought that some of these things that are being said by these big men of affairs could be passed along so that the public would better understand our work? You see the circulation of the NEWS goes to a limited number of people. We have approximately from three hundred to four hundred members, in our National and State organizations. There are approximately several hundred public libraries and other welfare organizations and some public-spirited citizens in the country, together with about a thousand small loan agencies, which are not members of any of our organizations, making a list now of about fifteen hundred on our mailing list.

But when you consider the great number of people there are in this country you can see how little we are doing in an educational way. We have got to do more of it; and a splendid suggestion came out of our meeting yesterday in Philadelphia. One of our eastern organizations has taken the trouble, at its own expense, to get out a little booklet which it has called "Twelve Men Said So." In that booklet are extracts from statements and speeches of twelve prominent citizens and high officials in which the industrial loan business is endorsed and the provisions of the uniform small loan approved; and at the end is this very significant language:

"Of course, twelve men cannot prove everything, but when twelve out of twelve agree, that is sufficient to either hang or acquit. So we cannot afford to ignore the agreement in this case."

It says, "There are hundreds and hundreds of our men and women who must agree with these twelve, because there were approximately two million borrowers accommodated through the agencies of the American Industrial Licensed Lenders Association during the year 1920, to an amount totalling approximately one hundred million dollars."

The thought came out yesterday at our meeting in Philadelphia that we should have a number of copies of this little booklet printed and circulated through our borrowers, and through our public bodies, wherever we can, and

thus spread information such as is contained in here, because it is authoritative. It is not what we lenders engaged in the business think of a business, but it is what public officials have said in a public way.

We have got to continue to hammer these things home, or else we will not make the progress for which we hope.

I wish to refer again to the Philadelphia meeting yesterday. It was not nearly so well attended as this. Probably not over half the same number of people were there, but it was interesting nevertheless. We hold our meetings more frequently in Pennsylvania than you do here, and our State is pretty broad from one end to the other, and it is not always possible to get all our members out.

But I am sure you will be pleased to learn of this fact: Mrs. M. O'Reilly Rae, of the Legal Aid Bureau of the Public Welfare Department of Philadelphia, addressed us. Her subject was, "How can the licensees coöperate with her in the work she has been assigned to do?"

She brought out this point; she has just been engaged recently, on account of the great number of people out of employment. We are now going through a great industrial depression. Every city has its problems. Philadelphia and Chicago are no exceptions. Every day people call upon charitable organizations and legal aid societies for assistance. Many of them have loans, many of them have loans with our members; and the question is, what shall be done under certain circumstances.

Mrs. Rae thinks that we should be lenient, that we should be long-suffering, if need be, in order to give these people a chance to exist until they can find employment.

We all heartily concurred with that thought, and I was very happy to note that a number of the members there told of experiences which show how in a practical way the licensees of Pennsylvania are coöperating with the various welfare organizations.

For example: if a man, the sole breadwinner of a family, has a loan on your books, and he is out of employment, he is unable to make his payment or meet his interest, the humane thing to do is not to threaten to sell him out, but to say, as Senator Dailey admonished us, "I am your friend, you need not worry. When you are able to pay me back all right, and if you never get into that position we will take our loss with others who have lost money through this readjustment period."

We know that farmers, manufacturers and merchants on account of prices going down have lost money. We have had some prosperous times in the last couple of years, we may have to take our medicine too. But if we do, we ought to take it like men, it seems to me, and we ought to prove now, if we have never had the opportunity before, that we are not the soulless and hard-hearted people we have been accused of being, but that there is a human side to us, and that if necessary we can afford to make certain charge-offs for charitable purposes. I hope that same spirit will take hold here in Illinois and throughout the United States, so that our organizations can demonstrate their usefulness, that they can prove to the public that they are not only engaged in a business for profit, but that they are also established to render social service.

Ladies and gentlemen, I want to congratulate you on the excellent showing you have made with reference to your State and National organization memberships. It has made possible a great number of things to be done. We, in the Keystone State, are really proud of the fact that last year we led the procession by a small margin in State and National memberships, but we also realize at the same time that you have issued a challenge to us in Pennsylvania, and to the other states, that we have got to be on our toes, or pretty soon you will take away the leadership from us.

Now, I want to say with respect to your very cordial invitation to hold the next annual convention in your city; it gave me an excellent opportunity yesterday to put up to the fellows in the East,—and we were fortunate enough to have with us at our Pennsylvania meeting representatives from Massachusetts, Connecticut, Rhode Island, New Jersey, Maryland and Virginia,—that we appreciate that when Chicago wants something she gets it. We feel that we are not in a position for the present year at least to do what we feel is in your mind to do here at the next National Convention. We are willing to concede to you the 1921 convention, and with the consent of my friend, J. H. Aufderheide, on my left, I can say that the Executive Committee of the American Association will vote to accept your cordial invitation, and that we hope within the next few days to be able to arrange with you an appropriate time which will be suitable to Judge Landis, because we all realize that what Judge Landis says may be quoted all over the world. He seems to be a pastmaster at publicity. If Mr. Weinschenk could just be put under his instruction for a little while I think he would learn how to put over a story in the way in which he wanted it done. (Laughter.)

During the last few months we have been very busy trying to perform the many duties that naturally devolve upon the shoulders of the National Executive Committee. We were in New York in November, endeavoring to enlist the active coöperation of national social welfare bodies in the enactment of the uniform law in several states. We believe we left there with the definite understanding that we could count on these agencies supporting the campaigns in certain states where the uniform law is greatly needed to correct existing conditions.

Moreover, we had another job. That job was thrust upon us; if we desired the services of our present National Chairman for another year. He insisted that there was so much work to be done in so many parts of the country, and that all of us were so busy and had our own affairs to attend to, that the affairs of the American Association would suffer unless we employed a full-time man who would look after the field work.

The National Executive Committee went ahead hunting for the right man. We communicated with all the different agencies in the United States that we could think of which might have the kind of a man that we were seeking. We advertised in the principal metropolitan newspapers. We received an avalanche of applications. Each member of the Executive Committee was assigned certain applications to handle and interview. After weeding a number out, we invited the best prospects to meet us in New York.

It was some problem to decide upon the man who could go out immediately and render the service that we thought was necessary. We could not unanimously agree upon any man at that time. Mr. Watts and I were appointed a subcommittee to interview several applicants further. We did this on December 3 in Philadelphia. We finally decided to make a recommendation,—and we, by the way, were not unanimous in our recommendation,—to the Executive Committee, and the result was the election of Mr. DeWeese.

We believe that Mr. DeWeese has within him the ability to render the service that we are seeking, and which the rest of us have not the time to do. I feel confident that we have made no mistake. Up until January 15—only thirteen days ago—Mr. DeWeese was an inspector in the Department of Securities, which supervises the chattel loan business in Ohio.

On that very day I wired him that an insistent call had come to me, to have him attend the Virginia Association meeting in Richmond on January 18. He responded by saying that he would meet a certain train on the next night, and sure enough he did. He arrived in time for the meeting of the Virginia Association.

The reason for sending him down there is this: The organization has dwindled down to about five members. It was necessary that something be done to inject "pep" into that organization. It was also necessary that some one from the outside should contact the officials that administer the state law.

I am glad to say that Mr. DeWeese did his initial job very well. He returned back to Ohio and took up some membership work assigned to him, and on each of the days he secured memberships for the State and National Associations and did it so well that I felt we could spare the time to have him appear in Philadelphia yesterday and meet these members who had not yet met him, and give them a chance to size him up and give them a chance to see just what our purpose was in employing him, and what Mr. DeWeese has in mind with reference to this work.

The call to have him here to-night was insistent, and I am very glad we are able to oblige you. I hope Mr. DeWeese can give you a couple of days here in Chicago, and show you just what can be done in the way of securing memberships.

I hope also that he will be able to look after certain legislative matters that are pressing at this time. In certain states that are laws which do not permit an adequate rate. In other states, where adequate rates are permissible, we are threatened with a reduction in the rate. Thirty-two states are meeting in legislative session this year, and it requires constant correspondence and constant care and vigilance on our part to see that nothing is put over in any state that

will jeopardize the interests of the industrial classes who lack bank credit or any of our members anywhere. You know many impracticable laws result from the efforts of well-intentioned but uninformed people.

It is important, too, it seems to me, that we should back up the litigation which has been started in a certain state. There is the possibility there, unless the National organization supports the test case which has been started, that perhaps the law may be declared unconstitutional. The public cannot afford to have the uniform law knocked out anywhere. It must be sustained, wherever it has been enacted. It must be enacted in more states and the day will not come, ladies and gentlemen, remember this, any of you who think so are living in a fool's paradise, the day will never come when you do not need your State and National organizations.

I can cite just one example that will interest all of you. Right now in Washington all the biggest men in the United States are considering how shall the federal tax problem be handled. We all expect there will be a change. None of you individually have the time to be at Washington, but through your National Association and its affiliation with the United States Chamber of Commerce, you have a voice among thousands of business men of this country, on the tax problem. We have a vote collectively on that question, and it is what the business men think will be enacted as tax legislation.

It is imperative, of course, that this business be not neglected when it comes to the final formulation of the tax measures that will govern this country for the next four years. It is important that this business be not discriminated against. It is not within the power of any of you to follow it as closely perhaps as we can, who are closer to Washington, and I say, if for no other reason than that, and some of the other things I have cited, it is important that we all support the National Association. It is important that we help to enact a law similar to that which you have here in other states. It would never do for these boundary states to enact any other law than the kind Illinois has. For that and many other reasons you must stand by and support the National organization as well as your State organization to the end that the public may be served and protected and your own business conserved.

With these few impromptu remarks I think I will close. (Applause.)

The Chairman: Our last speaker has come all the way from Harrisburg, Pa., to attend this meeting, and we appreciate the effort he has made to be present, and his presence here.

Next, I wish to introduce one whom I have just met to-night, and a great many of you have; I hope you all have. You will agree with me that to meet him is to like him. Mr. Hamilton DeWeese. (Applause.)

(See Field Secretary for Mr. DeWeese's speech.)

In discussing "Business Conditions," W. P. Woll said:

"What business conditions will be through this year and possibly next, I don't believe any living man can say with any degree of certainty. I find men of large interest and wide experience, even bankers, differing in vital ways in their opinions as to what we may look for. But I will say that I am afraid that if these business men, including bankers, or many of them, are expressing their private opinions in public, that they are not taking into their considerations all the possibilities of the way conditions in Europe are likely to effect us here in the United States, or, if they are taking them into consideration, they somehow feel that those conditions will not effect us, and I am of an entirely different opinion. Europe is in a bad way every way you look at it. England can and undoubtedly will get through O. K., but even with her great resources and the resourcefulness of her business men and bankers, Great Britain has a great load to carry, and this same load is being or has been increased each month for a long time now, so that if anything breaks in Europe, it will be a bad break.

"I am an optimist of the first water so far as our own United States is concerned. Were it not for the conditions brought about by our entrance into the war not only with our army and navy, but with the billions of money and credit we have loaned Europe, I am sure that the worst would be over for us and we would now be ready with all sails set for prosperous times. But the things just mentioned have tied us so closely economically with all Europe that whatever takes place there, be it prosperity or depression, is going to influence the conditions of this country immediately in the same way.

"There has been great liquidation of commodities and securities the past year, but even with all this liquidation we still have the largest amount of bank loans in our history, with the rediscount privileges of the Federal Reserve banks used almost to the utmost.

"That our bankers are doing everything possible to prevent real hard times, I am confident. The increase in exchange rates recently seems to me to foreshadow some sort of international financing that will help present conditions. But just because I feel that every effort will be made to correct conditions at the earliest possible moment causes me also to realize the seriousness of the situation.

"There are, of course, other factors with us all the time, but one that should also be considered at this time is the possibility of our crops this year. We had a bumper crop of all grains last year. Will it be another bumper crop this year? The correct answer to that question will be the answer to a lot of doubts about what business conditions will be. Considering all these things, I believe that it is good business to look for the worst and prepare accordingly.

"I, nor any other man, cannot set a hard and fast rule for you men to follow in granting credits. You know that every applicant for a loan must be considered individually, but I can tell you what I think is the best general policy to pursue in our line of business, so as to be on the safe side no matter what turns up. Our business is a peculiar business. It is peculiar for this reason: merchants, manufacturers and bankers are expected to run their business affairs for the benefit of their stockholders or themselves. We are expected to run our business as much as a public institution as a private affair. Our business is a peculiar business because of the misunderstanding of it by the public in general and our business men in particular. One of the things that has always caused me to wonder, is that it is generally believed that in hard times the small loan business reaped a rich harvest and that in good times there was no need for such a business; this is no more so than it is of any other established business. I don't know of any business that is affected in reverse order from what general conditions are.

"Now, no matter what one does, in any line of work, it is absolutely necessary that there is an object outlined toward which to work, otherwise there can be only a haphazard chance of success. It seems to me that it is not only good business from a business point of view, but also because it is expected of us, that our object at this particular time, more than any other time, should be to do as much *good* as we can as well as to look after profits. We cannot diversify, as for instance the farmer, so that a bad crop year will not swamp him or break him, nor like the merchant, to quote the familiar silk shirt simile, if he cannot sell his stock of silk shirts at a profit, he can push the sales of cotton shirts and make a profit to offset his silk shirt losses, but as good business men it is up to us to conserve our business, to formulate a plan—a policy to follow—an object in view. Therefore to do the greatest amount of *good* and at the same time conserve your business and profits I should say that:

"*First.*—We should teach the borrower to borrow only in emergencies or for urgent necessities. Insist on knowing what use the money he or she asks for is going to be put to. This can be done in a diplomatic way. I know that some of you will say that it is no business of ours what they do with it, others will say that the applicant does not want to give his reasons for borrowing—that he would feel we were prying too much into his personal affairs; and I will say that in my own experience in managing an office, I have seldom failed to get such information and without creating any ill feeling on the part of the customer. If you do this you can scale down the average amount of the loans you are making, make a larger number of loans and spread your risk.

"*Second.*—By reducing the average amount in each loan, you can do the greatest amount of *good* in your community, because you are enabled to take care of the wants and needs of a greater number of families. There is a double benefit to you; it is not an entirely unselfish policy; first, you get the good will of many more people and you have just that many more satisfied customers to draw from for future business.

"*Third.*—The next and possibly the most important thing in making loans under present conditions is to be sure to learn the attitude of the borrower toward the loan he is negotiating. If you can find that applicants are honest men and women—that they will pay if they have it to pay with, you can take the risk as well now as at any time, but only for such amount as you and they can agree on will *not* make the repaying

of the loan a hardship. You will also help matters by extending payments over any reasonable period where you can be assured of the borrower's honesty or honest intentions either by accepting interest alone each month or in cases of real misfortune extending both principal and interest payments. This, however, should *not* be done except in cases where it is impossible for the customer to pay as agreed, for in my experience I have found that extending payments, either principal or interest or both, is a hardship because the debt grows with the interest added and the customer becomes discouraged.

"What our organization is trying to do is this: We know that we are going to have a larger per cent. of loss on the loans put on the books during the last six months than for the previous period, and that we are going to have a larger average per cent. of loss on the business we put on the books from now on or until general business picks up again. This is to be expected in any credit business in times like the present or in changes from prosperity to depression. But we are going to try our level best to see to it that what losses we do have will *not* come to us because some trickster or actual dead beat, or as another example, some fellow that *always* lived six months ahead of his income "puts anything over on us," but rather that such losses will come where we knowingly made a loan to a family that needed it badly but who by reason of misfortune could not repay us in spite of their honesty or honest intentions. In other words, so conduct your business, seeing to it that your investigators get you information along the above lines rather than look for security in goods on your loans and that if you have to take a loss, let it be where your money has done some real good in relieving distress even though it may have been only temporary relief.

"Another thing we have positively decided to do and that is: that we will *not* foreclose on any account until the condition of the borrower has been thoroughly investigated and then only if we find that the borrower can pay and will not, and even then we are going to look into the matter a second time and see if there is not some way that such a borrower can be persuaded to pay us without foreclosure. We decide in this way because of the misunderstanding that I mentioned earlier which does exist on all sides of us. The borrower who can and will not pay can always be counted on to get the ear of someone to tell a story of hard luck to, that is really not true but at best distorted facts and who will make publicity that will only tend to make for further misunderstandings about our line of business, and it would be best to take a loss even in such undeserved cases, where otherwise not a minute's consideration would be due or expected by the debtor from some other line of business. But in cases where the borrower is so poor or unfortunate that he cannot pay, we will not distress him, but take our loss.

"The times we are going through are new to all of us here, but that they are uncertain times there can be no successful contradiction, and, therefore, the best rule to follow will be one that keeps both your feet on the ground; it won't do to "go up in the air." When you have a particularly aggravating case on your hands, don't jump at conclusions, but sit tight and think of some way out without forcing matters. This is good advice at any time but particularly now. Watch conditions day by day and take nothing for granted, except losses more than usual, but let the losses go where they will do the most good. You will get what you give and prosper only as you serve.

"I am an optimist in spite of what I have said. I am optimist enough to feel and believe that with the proper attitude of mind toward existing conditions and a policy like I have outlined will win a victory for us all along the line in spite of any obstacles that may be placed in our way and I have a holy respect for what those obstacles may be. But, I am not going to be fooled by having someone hand me the wrong end of a telescope with which to look into the future."

OHIO.

In response to the request of the National Secretary, J. Fred Anderson, Secretary of the Ohio Association, wrote the following interesting account of their mid-winter meeting:

"I hasten to send you an account of the mid-winter meeting of the Ohio Loan Association, held at the Chittenden Hotel, Columbus, Ohio, February 3, 1921, for two reasons: first, because the Ohio Loan Association is proud of this meeting, and, second, because the Ohio Loan Association is largely indebted to the National Association for the success of the meeting.

"To write a history of it, we would begin and end with the name *Deweese,* for when the big manly frame of Ham DeWeese, with his radiant smile and genial personality entered our portal that day, it made us feel like you do when the doctor comes and tells you that you are all right and will be out again in the morning.

"The Secretary and his assistants had a table over in one corner of Parlor A, which was being used and was constantly interrupted by Ham DeWeese, who used the table most of the time to sign up new members for the National Association. But, as membership in the Ohio Loan Association is a prerequisite to becoming a member in a minor organization of this kind, he incidentally did a little good for the Ohio Loan Association. But more about DeWeese anon.

"In point of numbers, the mid-winter meeting also surpassed any previous one. There were exactly eighty who partook of the noonday banquet. All members were well represented, and the banquet started off promptly at 12 o'clock. A five-piece orchestra put plenty of "pep" into the organization and Mr. L. V. Busche, manager of the Canton Collateral Company, who, by the way, is following the wrong business, was on hand with some of his original song sheets and, mounting a chair from time to time, had the bunch singing from start to finish. A copy of the song sheet is enclosed herewith, but I think the song which made the biggest hit was No. 7, entitled "Loans," sung to the tune of "Smiles," and which runs as follows:

"There are loans that make us happy,
There are loans that make us blue;
There are loans that steal away the tear-drops
Like the sunbeam steals away the dew;
There are loans that have a tender meaning
That the eyes of love alone can see,
But the loan that filled my life with sunshine
Was a loan which a 'skip' paid me."

"After the feast of food, music, and song, we had a feast of oratory, and Judge Dyer first introduced Mr. Wicks, of the Attorney General's Department, who told us, among other things, that he believed the Ohio Loan Association had a great mission to perform, and that there was a necessity for an association such as ours, and pointed to the high standard which we must reach up to, and that we must do everything in our power to measure up to and maintain that standard.

"Another guest from whom we heard was Mr. H. Sage Valentine, auditor of Franklin County, Ohio, who, among others, paid his respects to Mr. Hamilton DeWeese, and we would judge from his remarks that he and the aforesaid Hamilton sleep in the same political bed, for Mr. Valentine touched upon having met Ham in San Francisco and in Denver, and remarked that Ham had more beautiful women cousins out in that section of the West than any person he had ever known.

"Mr. Valentine had this to say about the loan business: 'Your organization and your business is just as essential to the lives of our people as is our banking institutions, because the poor man, the laboring man, or workman needs assistance at times just as do our manufacturers and our business people, and they have no business connections, which makes it very hard, it means more to them than a banking institution means to a business man, and if you would live up to the law, and a good law we have in this state, you will not stop, but you will continue your organizing until you have organized every loan man into your organization or you have organized him out of business.'

"Judge Hughes, of Lorain, was called upon, who made a most happy after-dinner speech, and indulged in some good stories and spoke of the loan business, which 'had taken its recognized place as an essential institution, legitimate and dignified.'

"Judge Hughes is a former member of the legislature of Ohio, and is a forceful lawyer of recognized ability.

"Our good friend, Mr. Barto, again honored us with his presence, and complimented the National Association on securing the services of Mr. H. G. DeWeese (you see we told you in the start that this was all about DeWeese). He further called our attention to the fact that we deal with over 100,000 people, and pointed out some of the great opportunities that presented themselves to get in personal touch with the borrowers to add strength and encouragement to their lives and called attention to the fact that we owe much of our own success in life to the fact that at various times someone has given us just a little word of encouragement. The Ohio Loan

Association is, indeed, greatly indebted to Mr. Barto for the many times that he has been present with us, for the many, many words of encouragement that he has given to us, and for the fair and impartial way that he has treated licensees in Ohio. We all trust that the changing conditions will be so adjusted that Mr. Barto's place may be filled by none other than Mr. Barto himself, for he thoroughly understands the loan business and the loan law, has made it a study, both from the standpoint of the borrower and the lender, and good business sense would dictate that it would be a very unwise policy for the State of Ohio to lose the great value of his experience.

"The next gentleman to be introduced was, of course, H. G. DeWeese, formerly an examiner of the Chattel Loan Division of the Department of Securities; formerly, also, a Democrat; formerly, also, a good fellow. He is still a good fellow; he is not now an examiner of the Department of Securities, for, like other sons of Ohio, he has stepped to a higher plane and is now the traveling secretary of the American Association, and we very much doubt if he is still a Democrat, for it is by association that we become broadened in our views of life and knowing, as we do, that Ham's present position puts him in touch with a great number of people and remembering, as we do, the ratio of the last election, we feel that, if not already, he soon will be, no longer of that political faith.

"We hesitate to set out his eloquent speech in full for the reason that probably he will want to make the same speech before your Association sometime, and it is no little trouble to write a good speech. He likened his new position to that of a new minister, and suggested that the value of his services, like that of a minister, would probably be measured somewhat by the number of members he failed to drive out of church, and the number of new members he could get in, and chose for his text the following words, which you will find in the Book of Hezekiah, chapter 7:11: 'He that is not for us is against us.' Mr. DeWeese conducted his part of the service with the assistance of Mr. Busche, the songster, and the congregation at fever heat would from time to time break into song, and, speaking of membership, the following song was sung, 'Is my name written there, on the page white and fair, as an O. L. A. member is my name written there?' Five new members hit the sawdust trail and were received into full membership on certificate of deposit of their dues, namely: Eastern Ohio Finance and Collateral Loan Company, Steubenville, Ohio; Coshocton Finance Company, Coshocton, Ohio; Valley Finance Company, Martins Ferry, Ohio; Warren Finance Company, Warren, Ohio; Capital Loan Company, Columbus, Ohio, and W. W. Young, Mt. Vernon, Ohio. Oh, yes, nearly forgot to say that Ham got back at Valentine and said that Valentine was always anxious to meet his western cousins.

"Thereupon a five-minute recess was taken, after which the business meeting was convened, the discussions featuring mainly upon the bill which has been introduced into the Ohio legislature to cut the rate on loans over $50.00 to 1½ per cent., and the entire matter of the Association's activities with regard to this legislature was referred to the Executive Committee.

"The new members above referred to were unanimously elected into membership and at a late hour in the afternoon the convention adjourned, at which time we all joined in singing the song, No. 10, entitled 'Busche's Farewell,' sung to the tune of 'Till We Meet Again,' which reads as follows:

"'Smile the while we bid you all adieu
And sometime we'll meet again with you;
May good luck be yours till then!
We'll be better business men
For having met you in convention here,
And your friendship, we will hold most dear;
So, we'll say, good luck, farewell,
"Till we meet again."'"

Mr. Anderson omitted to say that one of the interesting features incident to this meeting was the publication in the *Ohio State Journal*, on the morning of the meeting, a full page of educational publicity, setting forth in detail the progress of the Ohio Association since its inception, its purposes and relation to the remedial loan movement. Quotations from addresses made by Judge Manuel Levine, former Governor James M. Cox and Judge James A. Collins, endorsing the business and the work of the associations. A compliment is paid to Mr. R. V. Barto, the chief examiner of the Chattel Loan Division, and Mr. Barto's complimentary reference of O. L. A. at the 1920 Indianapolis National Convention is quoted in return. Among other interesting statements, mention is made of O. L. A.'s affiliation with the A. I. L. L. A. whose stated objects are quoted. The whole page is enclosed in a border of thirty-five illustrations of the prominent members of the O. L. A.

We believe this effort should be duplicated elsewhere.

SENATOR DAILEY'S SPEECH.

Perhaps one or two hundred people heard Senator John Dailey, Peoria, Ill., deliver his memorable address at Peoria and Indianapolis in regard to the industrial loan business. Perhaps another one or two thousand people read this address as published in the INDUSTRIAL LENDERS NEWS and the A. I. L. L. A. 1920 Year Book. With the idea of spreading this gospel further among the thousand and millions of people who have the wrong conception of the industrial loan business, A. V. Hart, one of the prominent members of the Pennsylvania Association, and secretary of the National Loan Society of Philadelphia, suggested the reprinting of this address in pamphlet form in order that it may be circulated among business men's organizations, public welfare societies and public-spirited citizens everywhere. Accordingly, 5,000 copies of this address in pamphlet form have been printed, 1,000 of which have been ordered by the Pennsylvania Association, to be distributed by its members in each of the communities in which the members are located. The cost of the pamphlets per thousand will be $18.00. It is hoped that other State Associations will assist in this educational work.

Individual members who may wish to order these pamphlets in 100 lots can do so by sending a check for $2.00 to the National Secretary.

The legislative situation everywhere indicates that there is much to be done before this business is properly understood by the thinking people.

COMMUNICATIONS.

NEWARK, N. J., Jan. 22, 1921.

MR. GEORGE W. KEHR, HARRISBURG, PA.:

Dear Sir: I have your instructive letter of the 21st, with enclosures. I am applying for Equitable Loan Society for admission to the New Jersey Association.

Enclosed is check for $1 to your order for 1920 Year Book; same has not been received, perhaps having gone astray in the mails.

I am in hearty accord with your views. We cannot have too much organization, we cannot give too much effort, to educate the ignorant in the need of licensed lawful loan companies, to combat the powerful dark forces of those upon whose illegitimate transactions licensed lenders have turned the light and to trample out those among us who by shady practices bring discredit upon the whole class. Singly we cannot, but collectively we can, find the time and means to purify the business which directly, quickly and inexpensively aids the great mass of people to tide over a financial emergency, despite the unwillingness or inability of banks, building and loan associations or other financial institutions to provide relief so related to the needy person's condition and constitution as to be of any assistance.

Yours very truly,
J. J. CORN.

DUES.

The State line-up with respect to the payment of dues payable to the A. I. L. L. A. February 1 was as follows on that date:

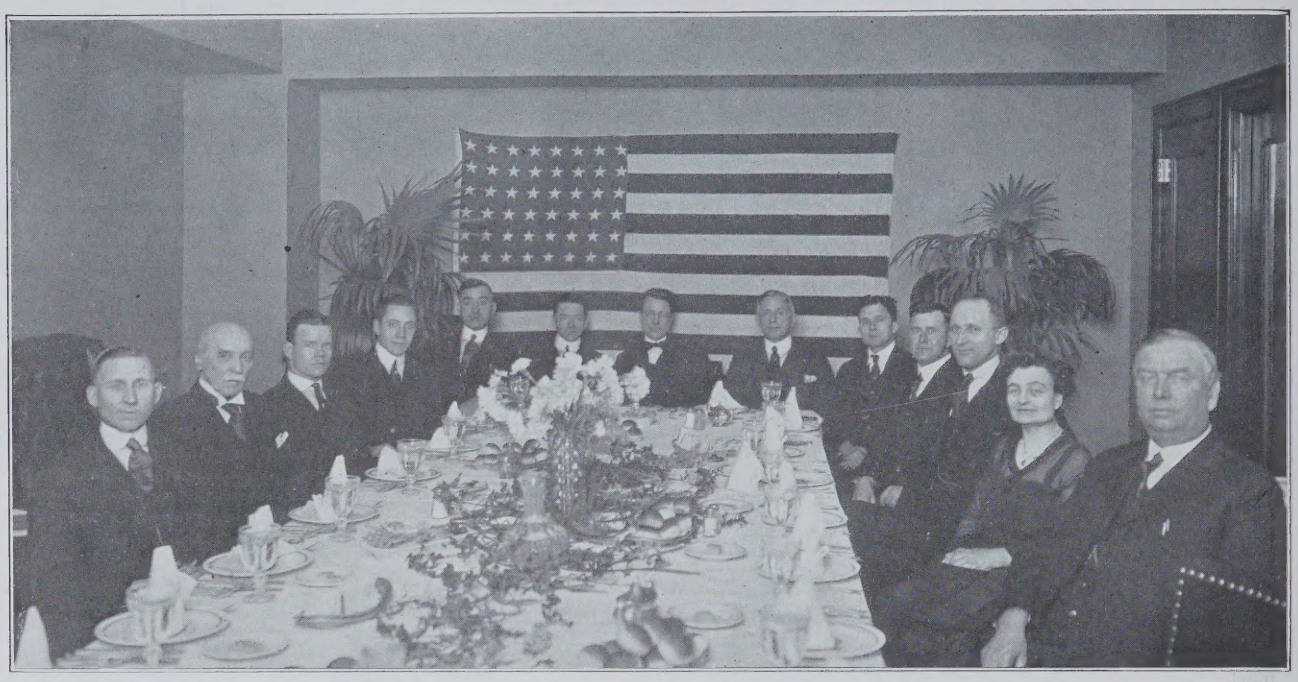
Pennsylvania	$650 00
Ohio	557 50
Indiana	507 50
Illinois	449 50
Connecticut	200 00
Maryland	150 00
Virginia	150 00
Michigan	100 00
Rhode Island	100 00
West Virginia	100 00
Iowa	5 00
Individual members in Georgia, Kentucky, Massachusetts, Minnesota, etc.,	460 00

Are you interested in your State's standing and contributing your share toward the cost of carrying on the National Association work? A revised list including the February collections will be published in the March edition of the INDUSTRIAL LENDERS NEWS. Later editions will show the percentage of lenders contributing in each State.

Are you helping to make yours a 100 per cent. State?

MASSACHUSETTS.

A bill has been introduced in the House purporting to amend the rate on small loans from 3 to 3½ per cent. per month and further regulating wage assignments.



GROUP PICTURE OF VIRGINIA ASSOCIATION MEETING, RICHMOND, JANUARY 18, 1921.

VIRGINIA.

The annual meeting of the Virginia Association was held in the gold room of "Ye Old Colony Club," Richmond, at 2:30 p. m., on Tuesday, January 18, 1921.

Chairman Edge called the gathering to order, and in that delightful southern way extended to each and every one a cordial welcome.

The atmosphere breathed rest and comfort and a delicious luncheon was served in true southern style prior to the meeting.

Members and licensees were there from many parts of the State, including Messrs. McMurtrie, Bray, Waring, Bradshaw, Keiss, Edge, and Miss Harris.

The following visitors were present: F. B. Richardson, chief examiner of State Banking Department; J. Vaughan Gary, Esq., general counsel of State Tax Board; James E. Tyler, secretary of Legal Aid Society of Richmond; Harry E. Clark, of New York; V. D. Moss, of Philadelphia; Edgar P. East, of New York; Hamilton G. DeWeese, of Columbus, O. The photographer was there, too, and made a good job of it. We know he did—because he said so.

Everyone should take back the things they said against the Virginia Association. Chairman Edge and Secretary McMurtrie should be given great credit for their splendid efforts which made the meeting a success and gained three new members.

Immediately following the luncheon, Chairman Edge invited Edgar P. East, of New York, to preside.

The Chairman: "This meeting has been called, not that we may meet and counsel with each other for the betterment of the conditions as they now exist in this State, touching upon the industrial small loan business, but to bring about a better relationship. 'In the multitude of counsellors there is safety'—and if we aspire to better protect the investment in our business here in Virginia, we must seek counsel of those in whom the public has confidence and with whom we must keep faith at all times.

"We are fortunate in this State to have a supervising official who seeks to help us and not to tie us down with red tape and burdensome regulations.

"I have the honor and privilege to present to you at this time Mr. F. B. Richardson, chief examiner of the Banking Division of this State, under whose supervision Virginia licensees operate." Mr. Richardson:

"Mr. Chairman, Ladies and Gentlemen: Mr. East was in Richmond some weeks ago and asked me to appear before a meeting of the small loan operators at a luncheon to be held during the latter part of January. I did not expect him to request me to address you and had he known of my limitations along this line, as you will all know before I get through, I am sure he would not have asked me to talk to you to-day. However, I wish to assure you that I am indeed glad of the opportunity to meet with you and to learn more about you in a personal way. I find it very much easier to deal with persons whom I know personally, than otherwise.

"Mr. McMurtrie, a few days ago, extended to me a cordial invitation to attend this meeting and stated that 'We can't get along without you.' My reply to Mr. McMurtrie was that 'I am afraid that if I come you won't be able to get along with me.' I shall try, however, not to be any more disagreeable in what I shall have to say than necessity requires.

"Mr. East has asked me to talk to you briefly along the lines of coöperation and correction of any violation of the present small loan laws. I presume that all of you here are so thoroughly familiar with the Uniform Small Loan Law of Virginia that you could almost repeat it 'word for word.' Therefore, it would be useless for me to enter into any extended discussion relating to the different sections of the law. I do, however, want to call attention to some of the sections of the law, ones which I believe are most important to you, as well as to me in my capacity as an examiner of the small loan operators.

"During the time that I have had supervision over the licensees under the Uniform Small Loan Law I have found, for the most part, that the law has been observed so far as the technical side of it is concerned. I have found, however, that some of the licensees of Virginia have not lived up to the spirit of the law, but have been 'skating' on rather thin ice, barely keeping within the provisions of the law. There have been some violations of the law and I have been justified under the strict provision of the act of revoking the license of several of the operators. These violations which I have in mind, while they are plainly covered in the law, yet I have construed the provision of the law literally and have found that there was no intent to violate the law and I have, after an investigation, allowed the license to remain in force. For instance, several operators have moved from one address to another without first securing the necessary endorsement on their license. Unless such removal was found to be useful and with intent to do harm to someone, I felt that the license should not be revoked. Another example that I found in one of the cities of Virginia was that several operators had included in their notes and other papers a confession of judgment clause. As soon as this violation was brought to the atten-

tion of the persons in question their forms were changed to meet the requirements of the small loan law. I was satisfied from an investigation of these that the violation was not intentional, being told that the forms they had were prepared by their counsel.

"Some of the operators in Virginia have been charging notary fees for certain acknowledgments when the law expressly provides that the interest rate which you are allowed to charge shall cover everything excepting recording fees, which have actually been paid out to some officer for the proper recordation of some paper. I have held and shall insist that notary fees must not be charged against the borrower in any case and that no recordation fees be collected from the borrower unless the paper is actually recorded. Some of the operators, in my judgment, have been splitting loans so as to obtain a higher rate. I have not been able to secure sufficient evidence so as to justify me in revoking any licenses on this charge. I have found, however, a few cases where loans were apparently split for the purpose of obtaining a higher rate and in these cases I have given the borrower the benefit of the doubt and treated the several loans as one, figured on the lower rate. These have proven satisfactory so far to both the borrower and lender.

There are in my judgment several necessary changes to be made in the law, but I shall not at this time enter into details relating to these changes. I want to suggest, however, for your consideration, that before you close this meeting you appoint a committee for the purpose of conferring with me relating to any changes in the law. I wish to assure you now that I shall be very glad to meet this committee at any time and discuss with them very frankly such changes as I have in mind. We need from you full coöperation. I am sure that you realize that the best we can do in the way of supervision is to examine such records as we find in the offices of the various lenders. Unless we find something there which leads us to believe the law is not being lived up to we have no other means of knowing of violations except through complaints coming from borrowers. Those of you who wish to live up to the law and see that all others do likewise can render much assistance to my office by reporting to me anything which looks to you to be a violation of the law. Do not stop by taking over the account of some borrower whom you find has been mistreated. I shall commend you for doing that but I shall also want to know myself of these conditions as they come to you. I want to urge upon you also to perfect as far as possible a strong State organization, securing the membership of all the licensees in Virginia if you can. I am sure that if you will form a State organization and discuss together the various troubles that you have, and let it be known publicly that you stand strictly for enforcement of the law, you can do much to aid me in seeing that the law is fully observed.

"There can be no good excuse for any licensee in Virginia remaining outside of the organization. I want to assure you most emphatically, that I shall coöperate with you as individuals and as an Association to the end that the small loan business in Virginia will be above reproach.

"I again want to thank you for the opportunity of being present and particularly for this beautiful luncheon, and I hope that I shall have the opportunity of seeing and meeting you gentlemen oftener in the future than I have in the past.

"I thank you."

The Chairman: "I hope that each and every one here will carry Mr. Richardson's message home and to every part of the State.

"Here permit me, please, to present Mr. James E. Tyler, secretary of the Legal Aid Society of Richmond, one of the two young men in this room directly responsible for the enactment of the present Virginia Small Loan Law.

"I am certain every one here has been deeply impressed with Mr. Tyler's address (stenographic notes of which we were unable to obtain) and of his sincerity to help those engaged in the business and also those out of the business who came to him for counsel. Mr. Tyler is a good friend to stick to but a bad man to deal with if you are not inclined to follow the spirit as well as the letter of the law.

"We had hoped to have Governor Davis with us to-day, but the meeting of the State Educational Board, of which he is chairman, made it impossible. He has designated a very capable young man to represent him here, and it is with a great degree of pleasure that I present to you Mr. J. Vaughan Gary, general counsel of the State Tax Board of Virginia."

Mr. Gary: "In my college course I was always interested in any literature in the form of tragedy, and I do not know why this tragedy has been thrust upon me. I must say I am rather surprised at Mr. Tyler, who is known to be a man of great truth, standing up and telling this party that he was not a speaker, and then showing by his splendid address that this was false. I have somewhat changed my opinion as to his veracity. But the tragedy of the whole thing is that I must follow the orator who has preceded me.

"Mr. East saw the governor yesterday, and I believe the governor said that I could represent him, but I can neither fill his place as an orator nor in stature, so I will not measure up to what could have been expected had he been able to attend.

"I received a telegram several days ago requesting me to make no engagement for this hour and asking if I would talk for a few minutes on the changed conditions of small loan lenders in this State. I trust you will pardon any personal illustration.

"I can well remember some few years ago, in 1915, when I was senior in Richmond College, Mr. Tyler, who has just spoken to you, asked which members of the class intended to stay in Richmond.

"It seemed they had formed some idea of a local loan association service and yet they were somewhat handicapped by the lack of funds and we were asked to give our services gratuitously to this service. If I am not mistaken five volunteered, but as is so often the case, only three showed up to perform that work. It was not long before one of these took unto himself a wife and begged to be excused, and not long after that before our country called so many to the front, and another left the society, which left only one to carry on the work of that important organization.

"We had not been engaged in this work very long before a number of cases came to us. As a matter of fact one of the newspapers of this State had advertised in their columns that they would assist anyone who was oppressed by this class of people and after the society was organized their assistance was promised with reference to these cases, consequently we became very familiar with conditions as they existed.

"We found that people were being lured to these offices by very attractive advertisements. The rates in that day would have caused Captain Kidd to regret that he had not adopted that method instead of the more hazardous undertakings which led him across the seas in search of treasures. The methods were contemptible. To give you an illustration, I can recall one particular loan that I had where the man had been charged $2.20 interest on a $5.00 loan. $2.20 per month. He had, as a matter of fact, paid that loan in seven days from the time it was borrowed, and no part of the interest had been refunded. When the case came to me, I took it up with the lender, who remarked that the man had not requested any return of interest. I informed him that I was there to request it. I told him that I wanted all papers that he held in connection with the transaction. Reluctantly he reached in his file and brought out a blank note which had been signed by this man and although the transaction was closed, he still held this man's blank note, simply with his signature, and the amount could have been filled in to suit his pleasure.

"That note and that instance was brought to the attention of the legislature when they met in 1918, and I think in a large measure was responsible for the quick and prompt action that was taken at that time. I know of other cases which were more largely representative of the age of barbarians than the age of civilization and I sometimes think and I really believe that there were a number of cases that even those in charge of the offices were not responsible for. There were cases, when women in the worry and horror of motherhood, were being tortured to such an extent as to endanger their health, because of loans thay had made and these instances, too, I can assure you were brought to the attention of the legislature. Then I found that other states were confronted with the same problems and they had solved them, and I also undertook to better conditions that prevailed in our State."

The Chairman: "I hope we will always have our good friend Mr. Gary to give us such sound advice as he has just given us, and that we may often enjoy having him at our meetings. Possibly you have all learned through the INDUSTRIAL NEWS that the National Executive Committee has appointed a Field Secretary, whose duty it will be to travel from state to state, touching the good points of the Uniform Small Loan Law, at the same time assisting in the building up of the National and the several State Associations. It is therefore my privilege and pleasure to present to you

for the first time at any State Association meeting, Hamilton G. DeWeese, of Columbus, Ohio, Field Secretary of the American Industrial Licensed Lenders Association.

(See Field Secretary for Mr. DeWeese's speech.)

TWELVE MEN SAID SO.

Something was said by the National Secretary at the Chicago meeting January 28 in regard to that little booklet arranged by the National Equitable Investment Co., 175 Fifth Avenue, New York, entitled, "Twelve Men Said So."

A more specific description can best be had by reference to the booklet itself, which is, briefly, about 4x6 inches in size, 16 pages printed in brown ink on buff stock and says on the introductory page: "Speaking of the industrial loan business operating under the Uniform Small Loan Law" and on the next page, "12 men said 12 things that will interest any man or woman who believes in profiting by the experience of others," following which may be found extracts from statements made by the director of the Division of Remedial Loans, Russell Sage Foundation; Governor Cox; National Chairman of the A. I. L. L. A.; assistant director of the Department of Trade and Commerce, Illinois; Judge Collins, Indianapolis; Senator Dailey, Peoria, Ill.; Superintendent of Banks Downes, Baltimore, Md.; Deputy Pennsylvania Banking Commissioner Morrison; Supervisor of Loan Agencies of Massachusetts Pope; Lieut. Governor Wilson, Connecticut; Representative Cox, Pennsylvania; and the National Secretary of the Volunteers of America. It is concluded by this interesting statement: "Of course, twelve men cannot prove everything, but when twelve out of twelve agree, that's sufficient to hang or acquit—so we can't afford to ignore the agreement in this case."

The last page says: "There are hundreds and hundreds of other men and women who must agree with these twelve because there were approximately 2,000,000 people accommodated through the members of the A. I. L. L. A. during 1920, aggregating in amount $100,000,000 loaned in small loans averaging about $50 per loan.

It is hoped that members everywhere will help in the distribution of these booklets by sending their orders in to E. P. East, 175 Fifth Avenue, New York, accompanied by their check for $23 per thousand. The purpose obviously is educational and consistent with the objects of the A. I. L. L. A.

WAGE ASSIGNMENTS.

Members and others interested in wage assignments, especially if they are engaged in business in Massachusetts, should read the *Massachusetts Law Quarterly* for August, 1920, issued by the Massachusetts Bar Association, 60 State Street, Boston, Mass. In this issue, two recent cases of wage assignments are discussed by James M. Rosenthal and Reginald H. Smith, the latter of whom makes what we believe is a very practical suggestion with respect to the improvement of the wage assignment law of Mssachusetts, as it affects security of loans of $300.00 or less. The Massachusetts legislature can do the people of that Commonwealth a real service by adopting Mr. Smith's suggestion.

FIELD SECRETARY.

Mr. H. G. DeWeese assumed his active duties as Field Secretary of the A. I. L. L. A. January 16. He reported for an address before the Virginia Association January 18 at Richmond, later returning to Ohio to do membership work, in which he has been successful. On January 27 he addressed the Pennsylvania Association in Philadelphia and the Illinois Association in Chicago, January 28. His membership work in Chicago and Ohio has netted a number of new members to the National organization.

On February 3 he addressed a meeting of the Ohio Association in Columbus, which was for the most part similar to his preceding addresses in Richmond, Philadelphia, and Chicago, and is printed in full below, particularly for the benefit of the people who were unable to hear him on either occasion.

Plans were made with Mr. L. T. Baker, National Membership Chairman, in Chicago, to have Mr. DeWeese do membership work in Ohio, February; Pennsylvania, March; Illinois, April; Indiana, May; Maryland, Virginia, New Jersey, and New England, in June and July, provided no other urgent matter presents itself to interfere with this program.

Mr. DeWeese spoke as follows to the Ohio Association:

Mr. Chairman, Members of the Association and Guests: It is like coming home to return from a visit with the loan men of Virginia, Pennsylvania and Illinois, and to meet you, with whom I labored so pleasantly for the last four years. To meet you here in my home city, the city of Columbus, which combines the conservatism of the East, the aggressiveness of the North, the broad-mindedness of the West and the hospitality of the South, makes one feel that however dark the past may have been for the loan men, here to-day, under the spell of true Columbus hospitality, there is more inclination to look with hope towards the future than to dwell on the pecuniary losses of the past.

This contact cannot fail to prove interesting and profitable to us all.

The small money lending business is fast becoming eminently respectable, so much so that no one ever hears of a loan man being denied burial in the sanctuary, as of old.

Therefore, it is certainly a very great honor to meet and greet the wizards of the lending world, the men who conceived and successfully executed this plan of organization. I must confess some embarrassment on this occasion, but in doing so I never was more conscious of the fact that I am among my friends—friends who contributed time and money to the end that Ohio should be signally honored with the first Field Secretary of the American Industrial Licensed Lenders Association.

I have accepted the position with a deep sense of the honor conferred and the duty imposed. No words can express my appreciation of the untiring efforts of the Executive Committee of the Ohio Association in my behalf. My only thought now is to ever prove worthy of your confidence, and fulfill your expectations.

Permit me to say, too, in all seriousness, that unless I continue to have your fullest coöperation I cannot succeed in this new field. I am entering the work, believing I will have your assistance only so long as I deserve to have it. What more could I ask?

At Cedar Point in 1919 on the occasion of your annual meeting, I expressed my gratification at the reception accorded me generally, when making our annual examinations. Now, that I have changed my *mind*, and my *glasses* and am behind the cage with you, I hope our relations will not be short of a hungering for each other, when loan problems appear for solution.

Judge Dyer said to me when he learned that demands were coming in for me to appear before various State Loan Associations, that my position was very similar to that of the new minister, who was to deliver his first or trial sermon.

At the time I was not sure that I fully appreciated the significance of his remark, but as I began to collect material for these loan meetings, I profited greatly by his comparison of my initial position with that of the preacher. A preacher's success is generally measured by the number of old members he fails to drive out of the church, and the number of accessions *to* the church.

One of my duties is to have every man in the loan business identify himself with the State and National Association. Here is where the reading of a text is in order. Therefore, this text comes to my mind. I do not know whether it is taken from Timothy or Clover, but it reads as follows: "He who is not *for* me is *against* me." If you are in the loan business and do not belong to the State and National Associations, you are not in the fullest sympathy with the loan business.

You may be waiting for some future or convenient season to join. In this connection let me suggest that you adopt as your policy the working mood instead of the waiting mood; it will get you further.

Then, there is no time like the present. At least that is the only time assured us.

Now, while we stand and sing "Why Do You Tarry Dear Brother," possibly some long-lost loan man who has been enjoying a lonesome optimistic isolation will come forward and receive the blessings of the State and National organizations.

Here I am reminded of a story that illustrates the value of being in full sympathy with your work: I once asked a friend of mine to what church his people were affiliated generally, and he replied that some were Baptists, some were Methodists, some were Presbyterians, but that he belonged to the Episcopalians with leanings towards Christianity. You must not think this story reflects discredit on the Episcopalians. Not so. It only means that to become identified with any movement means more sympathy and interest in that movement. Therefore, connect yourself with the two Associations and show a *leaning* toward the small money lending business.

This leaning will cause you to rival the Californian as a booster. It is told of a Californian that had a lay-over of three hours in a Kansas town, that he dropped into a church where funeral services were being conducted. After the minister had finished, he added that he was not acquainted with the deceased and would therefore give a few minutes to anyone who might contribute anything in the way of an eulogy. After waiting for a minute no neighbor or friend responded. The Californian arose and said that he, too, was not acquainted with the deceased but would like the allotted time to tell those present about Los Angeles climate. Once on the inside of the organization you will at once become a regular booster. One of those enthusiastic ones that has the loan business for breakfast, dinner, and supper. What we need is more publicity which work can be extended, only through an increased membership. We want you to become the same kind of a booster as the Californian. There cannot be but one possible reason why you do not connect yourself with these organizations and that is a woman's reason. I once knew a woman who said that she was glad she did not eat spinach, for if she *did*, she was *sure* she would like it, and would therefore eat *too* much.

In Jeremiah somewhere it says, "Woe unto those who live at ease in Zion." To paraphrase let me say, "Woe unto those who live at ease in isolation, when the loan business is protected by an organized effort to solve your many problems."

I am very much grieved and disappointed that no one came forward. I just feel that this meeting must not close until I have given you one more opportunity to become identified with these organizations that promote the security of the business that feeds you and your family.

Now, while we stand and sing "Is My Name Written There?" will you please come forward and sign the records kept by our genial secretary, Fred Anderson, after which we will turn over to the pages bright and *fair*, and have you sign the records kept by *Kehr*, of Harrisburg, Pa.

What an earnest appeal by the new preacher and his first sermon ever delivered before the Ohio Loan Association.

We will not close the services but will proceed with the regular order of business until such time as the spirit moves us to better things.

At this point in my discourse I feel that some one should make a confession. Therefore, I desire to make the startling confession that I came here to-day with some trepidation, fearing that I might not be able to interest you on any topic akin to the purposes for which this Association was organized:

You know I have hardly gotten both feet on the ground yet. There are positions about which we speak as follows: "Well, I hardly know how I am going to like it, as I have not been on the job long enough to warm a chair." This is not that kind of a position. This is a job where there is nothing to do but work, like the fellow who went to the country to work—cut trees up then cut them down.

I am directed to do all the work formerly done by the five members of the National Executive Committee. They traveled by rail, they walked, and they talked. When I address any meeting anywhere, I am admonished not to repeat anything ever said by any of these five men anywhere. What I say must be new stuff.

This is a real job, not a position. I must in my work function above the neck, and below the seat line. Walking and talking is my only indoor and outdoor sport. If ever I am in this work long enough to warm a chair it will be the duty of the National Executive Committee to call a meeting henceforth and demand my resignation, as I would have become useless.

In this connection I am reminded of the story of the Irish woman who boarded a street car with her seven children ranging from one to ten years of age. A gentleman sitting opposite her, looked at her in amazement for a while and said, "Madam, are those *your* children or is this a *picnic?*" She looked at him reproachfully for a second and then said, "Sir, those are my children and its no picnic." So it is with this job, it's no picnic.

While my attitude in the past has been to maintain a discreet silence in the presence of bankers owing to the fact that you cannot disassociate money and a banker and knowing that money talks the loudest. I have never faced a crowd that looked more like "ready money" to me than this one. Still I presume I would have to come across with the customary security if negotiating a loan with you. Be that as it may, I trust that our relations may always be most pleasant, regardless of the difference in our financial standing.

The presence here to-day of so large a percentage of this Association and so large a number of guests, leads me to predict that this meeting of this Association promises to be the most important meeting which has yet been held.

It is this coming together of scores of earnest organization men, each with his individual experiences, but all with a single engrossing purpose, that keeps the loan business abreast of the times and ever ready for the next forward step. Here I have emphasized the coming together of earnest organization men. In that connection, I do not wish it understood that there are no earnest unorganized men. There are, no doubt, many earnest nonmembers present here to-day who are eligible. They will all, or nearly all, join eventually, in my judgment, especially as they come to realize what membership in the State and National Associations means, and the work we have undertaken.

It is just such meetings as this that insure to this Association a healthy life, and a vigorous growth.

The full and candid presentation of your various experiences, makes possible, intelligent comparisons, stimulates suggestions and leads to discussion, from which each of you surely derives much that is valuable.

I have studied the cause of success and failure of various enterprises or movements, and have been wonderfully impressed throughout by the powerlessness of mere aggregates of capital in this business or any other business where organization is lacking. Aggregates of capital, such as is employed in the well established business of banking, building and loan and insurance business, recognize their powerlessness, unless organized effort, is ever on guard, to solve their many problems.

If this is true with them, how much more is it true with you, who are engaged in a business which has not yet been accepted as having a permanent place in our National life by many folks.

Do your share. Speaking of doing your share, I am reminded of the story of the restaurant man who made a leader of rabbit meat sandwiches. The business grew so great that he could not take care of it nor get enough rabbits. Therefore he used horse meat in part. When asked why sandwiches were not so good, he replied he could not get enough rabbits. Later he said he made them 50-50—50-50 meant one rabbit and one horse. Don't be the rabbit, be the horse and do more than your share. We all recall the story in the old McG. Fourth Reader, "In union there is strength." Then, too, there is that old slogan, "Stand together or hang separately." I think I have some other slogans that should forever be indelibly fixed on your minds, as follows: "United we stick; divided we're stuck." Another one will appeal to you lenders: "United we lend; divided we spend." Lending and interest are inseparable. That fellow who invented interest was no piker, says Isaac Goldberg.

This association was organized with the main object in view of promoting the influence of, and safeguarding the business of the small money lenders and for the mutual protection of legitimate business and the public against irresponsible lenders.

As members of this Association you are pledged to promote the general welfare both in legislation and methods of handling loans.

Prior to the organization of this Association its members, individually, were striving to improve conditions in the lending world, as they affected their everyday business. This union of individual strength has made it possible for these conditions to be improved, not alone for the good of those engaged in the business of lending money but also for the good of those who must of necessity borrow money from time to time. This brief history does not aim to reveal the instances and the manner in which this Association has already proven itself to be of State importance. Some outposts are yet to be connected to make the organization a 100 per cent. one.

Further than this I hold no brief for any particular policy towards your Association. Later I may depict some facts as I find them and without any effort to shield persons or opinions and without any ulterior motive.

Your business is not different from other merchants who buy what they can and sell what they can buy at a profit, whenever possible, and knowing that in some ways and among some people, the business of lending money is misunderstood, I believe the times demand that each of you so conduct your business as to help those who have been misled and those who are students of the money-lending problem, and by so doing help restore confidence and reflect credit upon each member and likewise this Association.

You have your various loan problems here, as in other states, and organized effort is the only solution for these problems. If any class of men realize that business is sensitive, that it goes only where it is invited and stays only where it is well treated, it is the money lenders.

In that connection permit me to say and without fear of successful contradiction that organized effort along State and National lines will very shortly make the loan business feel that it is welcome everywhere and that it will be content to remain there because it is being well treated.

A word here, as to the value of organized as against individual effort. The lonesome optimistic individual bumble bee flits from clover blossom to clover blossom pursuing his everyday activities with never a thought of the morrow. In his isolated state he encounters the barefoot boy with a paddle and he falls a victim to that paddle. The boy experiences no trouble with any individual bee that crosses his path, and will not as long as the bees operate individually. It is a different story, however, when this barefoot boy drops down on a stump for a rest and this ever active paddle encounters the bumble bees' nest and where organized effort puts the boy to rout. So it is with you who are on the outside. You are not prepared for unexpected attack from your enemies.

It is only through organized effort that the loan business will ever be accepted as having a permanent place in our everyday civilization. Is this not a condition to be devoutly wished for?

You will all agree with me, too, I am sure, whether members or nonmembers that this Association has during its short life, gained for this Association and for the business of lending money, a dignity it has not heretofore enjoyed, as well as a significant identity, that justifies its existence and assures its future usefulness.

Within the last year a well-known financial writer in speaking of one of the Association meetings referred to it as being composed of the flower of the lending world. This was a most complimentary thing to say of these men who have shown on many occasions an earnestness unparalleled in any organization.

The financial writer did not say that all nonmembers were thorns but hinted that they were not flowers.

You know they used to say, when it was not eminently respectable to be a Democrat, that all horse thieves were Democrats but that all Democrats were not horse thieves.

Now, I feel that all members may be flowers but all flowers are not members. Just why this writer referred to them as flowers is not clear, unless he felt that they had been plucked and the nonmembers had not been. Even in this connection is it not better to be plucked for a nominal sum each year to protect your business than to have some not well informed member of the legislature or some uninformed legislature repeal the law or cut the earnings where the returns will not justify the continuance in the business.

It is certainly not asking too much that you divorce yourself from that lonesome optimistic isolation which characterizes your disconnected state. This new connection would be well worth your time and money in the way of preventing social poverty. Then, too, the mere coming together rubs the corners off the mind, and dissipates suspicion.

Some of you do not join, neither do you come forth with any reasons for not. In passing let me say that you should never be a half-hearted objector. If you are going to kick, put your whole soul into the kick. If the Associations are a good thing join them. If not, put them out of business. Good, wholesome criticism will do no harm and may do much good. Whatever you have to say, say it to the faces of these earnest organization men, as you would in talking to a mule as that is the safest end to talk to.

Remember, too, that the consensus of opinion says that organization is absolutely necessary to to our present everyday civilization. Connect yourself with this organization and your loan problems will disappear as the dew before the rising sun. If you have no problems you are not progressing. No progress, no problems. So that for you as for all of us, if we were but wise enough to see it, the path of duty and that of self-interest, do not run merely side by side but converge and will melt into each other.

It is within your power, then, to aid in checking the unfortunate tendencies of the times. The times demand of you a new loyalty and a more searching discrimination knowing that the business of lending money is misunderstood by some people.

Again, I repeat this is your problem Your loan business depends on its solutions. Meet the question fairly and conclusively or resign yourself to an unprofitable business or no business at all.

Gentlemen, a cry in the night is an awful thing, and the blaze of a burning building against the dark sky is a fearsome sight, but who knows when the one may disturb our sleep or the other attract our half-awakened gaze.

I do not wish you to become alarmed to the extent that the colored people of the South were a year or so ago, when they were fully convinced that the world was coming to an end—made their wills, joined church, paid five years' dues in advance. I only want one year's dues.

Wake up, come out of your waiting state. You cannot venerate your calling too truly or set its standards too high.

Drop out of the wrecking crew and join the dispatcher's force.

Mother said to Johnnie: "Stop pulling that cat's tail." "I am not pulling the cat's tail, I am holding it. The cat is doing the pulling." Stop holding on, do some pulling yourself, like the cat.

Join the bees up by the stump. Don't be a stick, show the strength of a bundle of sticks. No one likes to be called a stick.

Be the horse and do your share, not the rabbit's share.

Take home the slogan: "United we lend. divided we spend."

Then, too, occasionally sing that song. "Is My Name Written There." You will come forward yet.

You want to help solve these problems, and I know that you will agree with me that these loan problems must be solved from within, and it is the duty of loan men, and men of influence and leadership, to address themselves to this all-important problem with energy and promptness.

I am one who believes we are not threatened with any immediate cataclysm that demands undue time and money, but we are threatened, and will be, until the business has found a permanent place in our civilization and is so accepted by the public generally.

I firmly believe it is your duty as small money lenders whose business is so necessary to our commercial life and prosperity, to meet face to face and discuss these questions with a view to lending aid to our country and its business and promote confidence by creating a healthy public sentiment. For, as Walt Whitman says: "The big men dare the big men do; they dream great dreams that they make come true; they bridge the rivers and link the plains; they gird the land with their railway trains; they make the desert burst forth with bloom; they send the cataract through the flume to turn the wheels of a thousand mills and bring the coin to a nation's tills; the big men work, the big men plan, and helping themselves they help their fellow man.

PENNSYLVANIA.

The regular meeting of the Pennsylvania Association was held in the gold room of the City Club, Philadelphia, January 27. Chairman E. P. East presided. Twenty-two members and the following visitors were present: Mr. P. L. Alberse and Son, secretary New Jersey Association; S. H. Vogel, Trenton, first vice-chairman, New Jersey Association; Hamilton G. DeWeese, Field Secretary, American Association; Mr. H. Goodfriend, of the Lincoln Loan Company, Philadelphia; E. C. Burton, and James L. Rankin, Esq., of the Service Loan Company of Chester; William Hirsch and Albert S. Marks, of the Federated Loan Association, Philadelphia, and F. M. Jackson, of New York City.

The treasurer reported on hand, January 25, 1921, $602.91.

The secretary reported a membership of 68, 57 in good standing as of June 30, 1921; 49 members are also members of the American Association, all in good standing as of February 1, 1921.

Chairman Kehr, of the Legislative Committee, reported the introduction to date of but two measures in the legislature that might be of passing interest to our members: First, that of the exemption upon execution of distress for rent being increased from $300 to $600 and, second, the possible increase in the legal rate of interest from 6 per cent. to 8 per cent. per annum.

Chairman Hart, of the Publicity Committee, reported having received favorable mention in Philadelphia and other State papers for a total of 625 lines or about 4,200 words, covering our annual meeting of December 3.

Chairman Ezekiel, of the Executive Committee, reported a meeting of his committee on January 11, 1921, at the City Club, Philadelphia, and among recommendations are the following: 1. That members be urged to purchase for their individual use and free distribution among their friends copies of the American Association Year Book. 2. That payment of one-half of the first year's dues of new members obtained through the Field Secretary of the American Association be paid as collected to the A.

A. for this work. 3. That the members seriously consider the establishment of a "loan fund" to be used in the making of loans to worthy borrowers, recommended by the local charity and welfare organizations, at a rate that would compensate them only for the overhead cost and without profit. 4. That the legislative questionnaires be forwarded to the members promptly. 5. That the members be urged to take membership in the Retail Credit Men's National Association. 6. That the Legislative Committee actively oppose any change that may be proposed in the present Small Loan Law. 7. That the contract with our publicity agent again be continued during 1921. 8. That the chairman of the Membership Committee be asked to appoint three helpers on his committee, after dividing the State into zones.

On motion of Mr. Kehr, seconded by Mr. Watts, members are urged to take membership in the Retail Credit Men's National Association at a cost of $5 per year. Mr. Kehr explained the many advantages, both locally and in a national way, of such membership. The Secretary was instructed to enclose an application blank with the minutes of this meeting.

On motion of Mr. Ezekiel, seconded by Mr. Moss, the Secretary was instructed to communicate the condolence of this organization to Dr. C. G. Mueller on the recent loss of his son.

On motion of Mr. Ezekiel, seconded by Mr. Herron, the officers were authorized to make payment of one-half of the first year's dues of new State members, obtained by the Field Secretary of the A. A. as collected.

A letter was read by the Secretary addressed to the Mutual Loan Company of Lancaster by F. Lyman Windolph, Esq., 120 E. Main street, Lancaster, making inquiry as to whether this member would be interested in the promotion of a chattel mortgage law in this State to supersede, so far as the small money lender is concerned, the present method of taking judgment notes as security. The Secretary was instructed to advise this member that the Pennsylvania Association would not advocate nor oppose such legislation.

The chair called attention to a practice prevalent in New York State of purchasing, by assignment, soldiers' bonuses of state and local disability funds, and after a discussion, and on motion made by Mr. Watts, seconded by Mr. Horn, the Pennsylvania Association went on record as opposing, and pledged its members to avoid, this practice, thus assisting in remedying a condition of this character in Pennsylvania.

On motion of Mr. Hart, seconded by Mr. Moss, the officers were authorized to purchase one thousand copies of the address of Senator Dailey, delivered at the national convention of the American Association at Indianapolis in September, and place them in the hands of the members for distribution.

On motion of Mr. Ezekiel, seconded by Mr. Roberts, the Secretary was authorized to have printed and distributed to our members, copies of the Act of Assembly No. 170, Laws of 1913.

The present industrial situation and its possible effect on the small loan business was very thoroughly discussed by Messrs. Moss, Hart, Herron and others. Many methods of approach and the most advantageous manner of handling delinquent business, as the result of lack of employment, were varied and most instructive. It was agreed that each member should thoroughly investigate the circumstances of each delinquent and show a willingness to coöperate with the borrower in working along lines to the best advantage of both. Further, that this same coöperation also be extended the welfare and charitable organizations, in their contact with delinquent customers.

On motion of Mr. Clark, seconded by Mr. Lyons, the bills due were ordered paid.

The chair called attention to the publication in pamphlet form of the recent address of P. B. Reeves at our Pittsburgh meeting in October, 1920, on the subject of "Progress with reference to the Industrial Loan Business" and to the address of E. F. Moore of Philadelphia, at our annual meeting in December, 1920, on "Advantages of Membership in State and National Associations" and the Secretary was asked to distribute the copies among the members, as far as the limited number would permit. Additional copies may be had upon application to the National Secretary, Harrisburg, Pa.

Prior to the meeting a luncheon was held at the City Club, at which time Mrs. M. O'Reilly Rae, of the Bureau of Legal Aid, Department of Public Welfare, City of Philadelphia, rendered a most interesting address on the subject, "How Can Small Loan Licensees Best Coöperate with the Welfare Department?" Mr. Hamilton DeWeese, of Columbus, Ohio, the newly appointed Field Secretary of the American Association, also addressed the assembly. Both were much enjoyed and the contact will undoubtedly result in a better and clearer understanding between the Welfare Department and the makers of small loans.

NATIONAL CONVENTION.

By unanimous vote the National Executive Committee has accepted the invitation of the Illinois Association to hold the next National Annual Convention in Chicago, next September. The program will provide for a three-day event and it is hoped that one of the speakers will be Judge K. M. Landis, of judicial and baseball fame. Moreover, there is a possibility that the National Federation of Remedial Loan Associations will hold its convention about the same time and place. If this can be brought about, it will mean that those interested in the movement to improve small loan conditions in the United States will have an opportunity of attending both conventions. Other details will be announced from time to time in this publication.

What you put into your head is very important. What you deliver out of your head is still more important.

Are you a truck-horse or a thoroughbred?

Now that your vitality has been reinvigorated by a vacation, how are you going to capitalize it?

Edison—who ought to know—says the key to success is "Thinking.' How goes it with you? Some people only think they think.

PENNSYLVANIA.

(Concluded from December issue.)

Mr. East: We have with us to-day a gentleman who is a top-notcher in his own particular line, about which he will talk to us to-day. It gives me great pleasure to introduce to you Mr. Edwin H. Stewart, an advertising specialist.

Mr. Edwin H. Stuart: Like Mr. Stein, I felt very much flattered when I was asked to address you. The gentleman who introduced me said something about being busy and in my case I want to say it has been more than true. Several weeks ago I had the misfortune to be sent to a hospital for a major operation and since I have gotten out I have been extremely busy. Right here, if you will pardon me, I am going to tell you just what we are doing. We are typographers. Webster defines a typographer as one who expresses with type. The musician expresses passion, anger, sympathy, dignity, by his musical instruments; we speak with type. I am a typographer. We operate a typographical service. It is our business to set up advertisements in such a manner that they will be dignified; that they will help you to sell. I am going to mention some of our clients, and I will tell you why later. Our chief clients are the banks in this city. We set the ads every week for the Mellon National Bank, for the Fidelity Title and Trust Company, for the Columbia National Bank, Commonwealth Trust Company, Union Trust Company and a score of other banks in the city. These bankers do not patronize our service because they like us. They realize,—because the banker is a cold headed, level business man,—they realize that typography pays. They realize that such advertisements as the Eastman Kodak Company are always read; they realize that typography is the third element in good advertising. Realizing all this, they patronize our service.

Now I will tell you what are the three elements of good advertising; first copy; second, illustration and third, typography. We come in contact with lots of copy writers. We do business with every advertising agency that I know of and yet I know very little of copy writing. It is true that I write copy for my own advertisements.

Now I want to call your attention to the advertisements of the Union Trust read, they are concise, easy to read, they are dignified. The Union Trust Company in Pittsburgh is the acme of dignity. The Union Trust Company is a tremendous financial institution and it breeds dignity. The ads of the Union Trust Company are totally different from the ads of the Prince Albert Tobacco Company; one stands for dignity personified and the other for action in advertising.

As I said before, the leading financial institutions of Pittsburgh patronize our service, but they are not our only clients. We would just as soon do business with a plumber as anybody else, because we have our service to sell.

Now the elements of good typographers—I just want to tell you about a definition I heard of typographers: It was during the great war and I had been called in to arrange for superintending the advertising of the War Savings Stamps—when I entered the

room there was nobody but bankers sitting around—and I found out that these old bankers were just as human as the rest of us. Well, I was introduced as a "Typographer" and one old fellow stuck his fingers in the ribs of another banker and said: "Say, Pete, I bet you don't know what a typographer is." Pete said: "I do, too. A typographer is to a typesetter what an architect is to a carpenter." And I thought that was a very good definition.

Now one reason for the absolute necessity for employing a good typographer in your advertising work is the lack of time in a newspaper office to devote to display advertising. Speed is the prime requisite around a newspaper office. That is why many advertising agents take a little time to write their own copy and why they are willing to pay us a fair sum to set their ads for them.

Elements of good typography are: appropriateness, correct display, balance, shade harmony, tone harmony.

Now there is no mystery about any of these things. Any good typesetter that is going to follow these five elements is going to get a good ad. There are many ads that are hard to read. Ads run in caps, or as we say, in the upper case, are much harder to read than ads in the lower case. The reason for this is simple. The human eye is trained to read in the lower case. Make your ads simple; make them restful. Remember you are playing to a people who may wear glasses; some may be 45 or 50 years of age. You have got to make your story so that they can read it without effort.

Appropriate advertising is one that reflects the character of the thing it advertises. I would say that in your business, your ads should represent solidity, balance and dignity. There is a certain public restaurant in Pittsburgh that does a great deal of advertising—but they always use a heavy—Gothic type. Now the only suggestion their ad brings to my mind is something big and heavy—an iron mixer, rolling machine, etc. It certainly would never suggest well cooked food, clean and dainty linens, good and efficient service.

The question of balance means that the ad should have a restful appearance to the eye.

The question of shape harmony and tone harmony is very necessary to good advertising. If you have a gray border and a gray cut, the type should be somewhere near the same shade of grayness; at the same time you can have such a dead evenness that there is no life to the advertisement. We strike a happy medium and put in just a little contrast.

Regarding the method of operating this typography business; this copy is furnished us either by individuals or by an advertising agency. These advertising agencies are quick to appreciate the results of good typography; they realize that good typography is effective in helping to sell the goods,—that is why they are very liberal in their patronage.

I think I have covered about all the points in connection with our work—except that we also operate a job printing office, but I will have to tell you how that came about. It was like two boys who started out to see the circus. One had the price of admission and bought his ticket and went in. The other hung around on the outside, and finally was caught peeking under the tent, when along came one of the attendants and gave him a kick. He went right through that tent and landed in the middle. Picking himself up and brushing off the dust and dirt he looked around and saw his companion. The fellow who had bought his ticket said: "Hello, there, how did you get in?" To which the other urchin replied, "Oh, I was assed in?" So that is the way with us in the printing business. The fellow that we were associated with in the printing business decided to go to Philadelphia and was going to sell the plant, so we had to step in and buy it, for fear he might sell to some one who would not set the type as we wanted it set. However, typography is our main line and any time we can be of service to you, do not hesitate to call on us. If you don't feel you could pay us the modest fee we charge, we will be glad to make a pencil sketch for you and give it to you free of charge.

(Mr. Stuart's remarks are somewhat curtailed, owing to the fact that he used blackboard illustrations.)

BOOST!

Boost your city, boost your friend,
Boost the lodge that you attend.
Boost the street on which you're dwelling,
Boost the goods that you are selling.
Boost the people 'round about you,
They can get along without you,
But success will quicker find them,
If they know that you're behind them.
Boost for every forward movement,
Boost for every new improvement,
Boost the man for whom you labor,
Boost the stranger and the neighbor.
Cease to be a chronic knocker,
Cease to be a progress blocker,
If you'd make your city better,
Boost it to the final letter.

MAN IS A FAILURE.

When he has no confidence in himself nor his fellowmen.

When he values success more than character and self-respect.

When he loves his own plans and interests more than humanity.

When his friends like him for what he has more than for what he is.

When he becomes so absorbed in his work that he cannot say that life is greater than work.

When he lets a day go by without making some one happier and more comfortable.

When he tries to get ahead in the world by climbing over the shoulders of others.

When he values wealth above health, self-respect and the good opinion of his fellows.

When he is so burdened by his business that he finds no time for rest and recreation.

When he envies others because they have more ability, talent or wealth than he has.

When he does not care what happens to his neighbor or to his friend so long as he is prosperous.

When he is so busy doing work that he has no time for smiles and cheering words.—*Dallas Rotagrams.*

ENTHUSIASM.

"Nothing great," Emerson has said, "was ever accomplished without enthusiasm." Therein lies the real secret of success in life. Enthusiasm quickly erases the prefix from "impossible." Go back over our history and you will find behind every great achievement the enthusiasm of some man or woman. It was enthusiasm that enabled Robert Fulton to overcome all difficulties and build the first steamboat. It was the enthusiasm of Washington in the darkest hours of the Revolution that brought hope out of despair, victory out of what seemed certain defeat. It was enthusiasm that sent the pioneers of the early days singing on their way into the great unknown lands of our own West. It was enthusiasm that made Chicago the second city of America; the enthusiasm of a conviction that gave Lincoln the strength and power to cope successfully with the greatest task ever given man to do.

"Wherever you find enthusiasm there, also, you find progress. For enthusiasm is the MOTIVE POWER that leads men and cities and nations onward and upward; enthusiasm is the vital spark that makes dreams come true; enthusiasm is the thing that puts the 'bit' in ambition and the 'spur' in the final spurt that carries you across the line a winner in whatever race you choose to run. If you have ENTHUSIASM you need never be afraid of the 'if' in life. For all those things which man covets most come to him who has—e-n-t-h-u-s-i-a-s-m!"—*Selected.*

NOW.

If you have hard work to do,
Do it now.
To-day the skies are clear and blue,
To-morrow clouds may come in view,
Yesterday is not for you;
Do it now.

If you have a song to sing,
Sing it now.
Let the notes of gladness ring
Clear as song of bird in spring,
Let every day some music bring;
Sing it now.

If you have kind words to say,
Say them now.
To-morrow may not come your way.
Do a kindness while you may.
Loved ones will not always stay;
Say them now.

If you have a smile to show,
Show it now.
Make hearts happy, roses grow,
Let the friends around you know,
The love you have before they go;

I RESOLVE

To keep my health;
To do my work;
To live;
To see to it I grow and gain and give;
Never to look behind me for an hour;
To wait in meekness, and to walk in power;
But always fronting onward to the light,
Always and always facing toward the right.
Robbed, starved, defeated, fallen, wide-astray—
On with what strength I have;
Back to the way.
Show it now.

APR 8 1922

INDUSTRIAL LENDERS NEWS

Official Organ American Industrial Licensed Lenders Association Which Is a Member of the Chamber of Commerce of the U. S. A.

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NEW JERSEY.

Protest Against Morris Banks.

About ninety members of the New Jersey Bankers' Association led by General Counsel J. F. Anderson, Jersey City; William F. Davis, of the Newark Provident Association, and John W. Whitstone, chairman of the New Jersey Licensed Lenders Association, journeyed to the state house at Trenton, yesterday afternoon, to attack a "Morris Plan Banking and Investment" bill introduced by Assemblyman Elliott, of Essex County, and fathered by George W. Tuttle, of East Orange.

The Banking and Insurance Committee, which had the hearing in charge, listened to the pathetic plea of the Morris Plan's sponsor to place upon the statute books a banking law that would give unlimited privileges to their plan, but after the attack made by the opponents it was readily perceived that the committee felt fully satisfied the bill should meet the same fate as its four predecessors by going down in defeat.

DeWitt C. Hubbell, of the Plainfield Trust Company, and Mr. Whitestone, of the Mutual Finance Company, represented Plainfield.—*Plainfield, N. J., Courier, March 1, 1921.*

MINNESOTA.

Measure Would Curb Loan Sharks' Business.

A bill to curb unscrupulous money lenders and put the "loan shark" out of business is to be presented to the legislature.

C. L. Weeks, former deputy attorney-general, and J. B. Sanborn, former state tax commissioner, have been working on the measure for the Russel Sage Foundation, which is back of the movement.

This will be known as the uniform small loan law, and has been adopted by fourteen states.

According to Mr. Weeks it is the poorer class of wage earners who suffer most from exorbitant rates charged by loan sharks, and the proposed law would fix a reasonable rate of interest. *St. Paul Daily News, March 4, 1921.*

Loan Bill is Planned.

MEASURE AIMED AT LOAN SHARKS MAY BE PRESENTED.

A short term loan bill is scheduled for early introduction in the legislature in conformity with laws enacted in Illinois and eleven other states, on recommendations of the Russell Sage Foundation.

The bill provides for a maximum charge of 3½% a month, which has been found the lowest safe rate. Massachusetts is expected to increase the maximum in its law from 3 per cent. to that figure to obtain more satisfactory results.

The proposed Minnesota law is aimed at loan sharks and pawnbrokers charging as high as 10 and 12 per cent. a month, and will carry the indorsements of the charitable and labor organizations of the large cities of the state, it was reported.

St. Paul, March 3, 1921.

IOWA.

A bill was introduced into the house last week, by Hon. T. J. O'Donnell, of Dubuque, aimed at the chattel loan companies, popularly known as the "loan sharks." Under the law at present, loan sharks are charging as high as 10 per cent. a month on chattel loans, with additional fees for inspection of the property, etc., which is likely to keep their victims in their clutches indefinitely. Mr. O'Donnell's bill limits the interest on loans of $300 or less to 3½ per cent. a month, without any additional fees, and places companies doing this sort of business under the supervision of the State Superintendent of Banking. It also has other features, such as a provision that interest shall not be collected in advance. While 3½ per cent. a month seems high, these loans are of course not of a desirable character, as a rule, such as a bank would consider, and a rate higher than the customary legal rate of 8 per cent. is justified. At the same time such highway robbery as 10 per cent a month should be stopped, and companies making chattel loans should be under state supervision. This is a matter that is not of special interest of farmers, excepting as a matter of social justice.—*The Iowa Homestead, Feb. 10, 1921.*

We are advised this bill passed the house 99 to 0 early this month.

Social Workers for Loan Shark Bill

MEASURE PASSED BY HOUSE PENDING IN SENATE.

Small borrowers in Iowa are expected to be saved thousands of dollars in interest, and the small loan business placed on a reputable basis by the Russell Sage Foundation uniform small loan law, which is now pending in the Iowa senate.

The Russell Sage measure was introduced in the house by Representative O'Donnell and in the senate by Senator Horchem, and has already passed the house by a unanimous vote.

BACKED BY SOCIAL WORKERS.

The Iowa conference of social workers has been active in behalf of the bill, which is intended to eliminate the loan shark and give protection to the small borrower.

The Des Moines public welfare bureau, Iowa Congress of Mothers and Parent-Teachers Associations, Iowa Federation of Women's Clubs, Iowa State Federation of Labor, Iowa League of Women Voters, the State Associations of Probation Officers, and numerous other organizations have indorsed the bill, and favorable action by the senate is considered certain.

The only opposition met by the bill so far has been from small loan companies which desire to retain the fee system of the present law.

LICENSE REQUIRED.

Under provisions of the bill all companies engaged in the small loan business must take out a license, and are placed under supervision of the state banking department. Interest must not be deducted in advance, and no fees may be charged. A uniform rate of 3½ per cent. a month may be charged.

Under the present Iowa law the loan companies are permitted charges up to 100 or 200 per cent. per annum.

The bill affects only loans of $300 or less, and does not affect the Morris plan concerns, or regularly organized banks.

A similar law is now in effect in twenty other states, including Illinois, Pennsylvania, Indiana, Ohio, Maryland and New Jersey, where in every case the law has been found to operate to the advantage of the borrower.

Final action on the bill is expected in the senate in a few days; the bill has been reported out for passage by the judiciary committee.

Dr. W. H. Slingereland, formerly of Des Moines, but engaged in work for the Russell Sage Foundation, is now in the city, and is also representing the foundation in behalf of a model adoption law, intended to make the adoption of children a court proceeding rather than a mere bill of sale.—*Des Moines Register, March 14, 1921.*

The Iowa "uniform" bill became a law March 16th.

PENNSYLVANIA.

Sectional meetings will be held in Pittsburgh, March 7th; Philadelphia, March 14th, and Harrisburg, March 30th. They are called primarily to encourage Mr. DeWeese in his membership work and to discuss other matters of interest to all members. At the Harrisburg meeting the Association will have Banking Commissioner John S. Fisher as its guest. Mr. Fisher has consented to address the meeting.

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The National Council is composed of the National Officers, Vice-Chairmen, and Committee Chairmen.

MICHIGAN.

Liddy Bill Hits at Loan Sharks.

RUSSELL SAGE FOUNDATION BEHIND MEASURE TO PROTECT SMALL BORROWERS.

To protect borrowers of small amounts against illegal money lenders, commonly called loan sharks, the Russell Sage Foundation has prepared a bill which Rep. Ralph W. Liddy, of Detroit, has introduced in the legislature.

H. G. Johnson, secretary of the Michigan Committee on Remedial Loans, is at the Central Charities Building, 71 Warren Avenue, West, in charge of the campaign, which is supported by the Community Union. Similar bills, passed in several states, have the approval of bank commissioners there, Mr. Johnson says.

PROVIDES STATE LICENSES.

Under the proposed law money lenders would be licensed by the state under $1,000 state bonds instead of local bonds, as at present. Not more than $300 could be loaned to a man. Interest at 3½ per cent. a month could be collected only on unpaid balances. At present the practice is to charge interest on the whole amount loaned, even when instalments paid have retired part of the principal.

There would be no allowances for fees or special expenses, by which it is said money lenders exact exorbitant rates on small loans. The bill does not apply to banks, pawnbrokers, or building and loan associations, which are already under state supervision.

Only 10 per cent. of what the pay envelope contains could be collected by the money lender. Interest could not be collected in advance, as at present, when interest is deducted when the loan is made. Interest may not be compounded. The present law, Mr. Johnson says, does not give the small borrower protection except through extensive court procedure. It is cumbersome and full of loopholes, through which the money lender crawls.

NATURE OF SECURITY.

The rate of interest allowed has been fixed after long study by the Russell Sage Foundation, in which was considered the cost of carrying the account and the nature of the security. The organization points out that while banks and trust companies will lend money on good security, there is no way by which those compelled to borrow to tide over embarrassing financial situations can obtain loans without security.

Members of the committee are: William P. Stevens, Detroit; John E. Ryan, manager of the Provident Loan Society, Detroit; G. Leo Weadock, Saginaw; Bernard Ginsburg, former president of the United Jewish Charities, Detroit; the Rev. Archibald Hadden, Muskegon; Henry W. Douglas, Ann Harbor, president of the Washtenaw County Gas Co.; Benjamin P. Merrick, Grand Rapids; Miss Lillian Fasold, Kalamazoo, secretary of the Kalamazoo Civic Improvement Association; Guy A. Whitcomb, Pontiac, of the Industrial Relations Club, and Miss Anna H. Borden, Jackson.—*Detroit News, Feb. 27, 1921.*

State Capital Visitors.

Walter S. Hilborn, of New York, and James S. Baldwin, of Springfield, Ill., urging the Russell Sage Foundation bill to regulate money loans under $300.—*Detroit News.*

Loan Bill Gets No Opposition.

LIDDY'S MEASURE REDUCING PAWNBROKERS' FEES LIKELY TO PASS.

Lansing, Mich., March 2.—No one appeared to oppose reduction of pawnbrokers' interest rates at the public hearing Tuesday night on the bill introduced by Representative Ralph W. Liddy, of Detroit.

The bill is a copy of a measure brought up in several states by the Russell Sage Foundation. It does not reduce the legal interest rates permitted in Michigan, but achieves the same route by prohibiting pawnbrokers and other persons making small loans from charging any sort of fees for making the loans. It fixes the interest rate at three and one-half per cent. a month on loans of less than $300, and grants this rate only to licensed loan agencies.

Walter S. Hilborn, chief of the division of remedial loans of the Sage Foundation, declared the main advantage of the bill is it would put the small loan business under state supervision and insure revocation of the license of persons charging in excess of the law rate.

Dr. R. Johnson, assistant secretary of the Detroit Community Union, said a score of social welfare organizations in Detroit are behind the bill and recommended it at it stands. These organizations would prevent a lower interest rate, he said, but experience of other states has shown three and one-half per cent a month is necessary to insure continuance of a business that when properly conducted, is a boon to those temporarily out of work or faced by unusual need of money.

James S. Baldwin, assistant director of the Illinois Department of Trade and Commerce, said loan agencies are the poor man's banker and must be preserved, but they must at the same time be prevented from enslaving debtors by collection of compound interest.—*Detroit Times, March 2, 1921.*

Liddy Aims Bill at Money Lender.

LARGER RATE WOULD GIVE LESS RETURN IS SAGE MAN'S CLAIM.

Lansing, Mich., March 2.—Representative Ralph Liddy's uniform small loan bill was the subject of an open hearing before the house judiciary committee last night. The measure would increase the maximum monthly interest in the state from three per cent. to three and one-half per cent.

According to J. S. Baldwin, assistant director of Trade and Commerce in Illinois, and Director Hilborn, of the remedial loan division of the Russell Sage Foundation, who appeared before the committee, the proposed uniform law would net the money lender less than present state laws. They declared that in Michigan at present, the small money lender is permitted to charge a fee on each loan that runs four months, which aggregates a greater net income for him than would be the case if the interest rate were raised and the fee abolished.

Under the proposed legislation all money lenders would be licensed by the state banking department and would be periodically examined. They would be permitted to collect not more than 10 per cent. of a borrower's weekly wage, in case he defaulted on the payments of his loan.—*Flint Journal, March 2, 1921.*

OHIO.

Party posing as Otto S. Moll, and widower of Sylvia five months, of 5716 Quincy Ave., N. E., Suite No. 3, negotiated a loan of $150.00 with a company February 10, 1920, and gave as security his household furniture and piano. We have never heard of or seen him since.

In trying to locate him and endeavoring to take over the security, Mrs. Otto S. Moll (Sylvia), of 5616 Quincy Ave., appeared at my office, claimed that Otto S. Moll was at that time in the employ of the C. A. C. Club, which was true. That they had separated and had been for some time. Said she did not know who this party was who had posed as her husband, but did admit that this party had roomed at her house. He was there at the time our man called, listed the property and appraised the same, and posed as Otto S. Moll. We have seen and interviewed the real Otto S. Moll and he is not the party.

DESCRIPTION: He is about 5 feet 10 inches, heavy built, weight about 175 pounds, light hair, slightly bald, blue eyes, smooth, fat face. Ordinarily dressed, looks like a waiter. Thoroughly acquainted with loan company methods as to making loans, smooth tongued,

and posed as half brother of Eugene O'Brien, movie actor.

The Economy Building and Loan Co., Blackstone Building, Cleveland, O., will be glad for any information any member can send them relative to the above "skip."

CANTON, OHIO, March 9, 1921.

MY DEAR MR. KEHR:

Your very kind letter received and I certainly appreciate the sentiment as well as the information that the "boys" at Columbus were so well pleased.

I also wish to assure you that I am not the least egotistical and that the many compliments received has had absolutely no effect upon the size of my head.

It was my first meeting with the Ohio Loan Association, and believing a song sheet would help the meeting and desiring to be of some help personally, I expressed the proposition to Mr. DeWeese (who by the way, is really responsible for my going), and the rest you know. Feeling that possibly you do not have a copy of the song sheet, I am enclosing one for you.

I confess it was quite a compliment to hear from Mr. Baker, of Chicago, and if they decide fully to have this feature at the national meeting in September, I assure you I will use every effort within my power to make it a success, and by that time will no doubt have something new worked out, yet there are several songs on this sheet that will "go good."

Again I wish to caution you that I am neither a "poet," vaudeville actor, nor lyceum bureau artist, but just 235 pounds of "pep stuff" with a smile that *never comes off*.

It would be fine if some day we could know each other personally. With best wishes.

Respectfully,
L. V. BUSCHE.

ILLINOIS LEADS.

The standing of the State Associations with respect to the amount of dues paid to the National body on March 1st shows Illinois took a great spurt during February and jumped from fourth to first place, supplanting Pennsylvania, which has held the premier honors for some time. Other states to gain in their relative position announced in February show Maryland advanced from sixth to fifth place; Michigan from eighth to sixth place; New Jersey, which was not represented at all in February, breaks into the ranks with eighth place. The individual members in organized states likewise increased their amount contributed. Here is the lineup at the National Secretary's office, March 1st:

Illinois	$1,551 00
Pennsylvania	1,512 75
Ohio	1,052 35
Indiana	708 50
Maryland	285 00
Michigan	275 50
Connecticut	200 00
New Jersey	198 00
Virginia	150 00
Rhode Island	135 00
West Virginia	125 00
Iowa	121 50
Individual members: Colorado, Georgia, Kentucky, Massachusetts, Minnesota, Nebraska	565 00

MEMBERSHIP CAMPAIGN.

L. T. Baker, chairman of the National Membership Committee, has organized his campaign for six months by appointing Dr. C. G. Mueller, captain of Pennsylvania; B. E. Henderson, captain of Illinois; R. Y. Hartz, captain of Indiana; J. H. Wickstrom, captain of Rhode Island; Wm. Young, captain of Maryland; Robt. McKierman, captain of West Virginia; D. E. Esmond, captain of Iowa.

The above named captains together with their lieutenants are planning a drive in coöperation with the field secretary, H. G. DeWeese, which aims to enlist every eligible nonmember in the states mentioned.

Mr. DeWeese has had phenomenal success in Ohio, practically increasing the membership of that state one hundred per cent. One of Mr. DeWeese's stunts was to sign up, on February 19th, The Franklin Finance Co., Lima, Ohio, before they had actually engaged in business. This new member did not expect to be licensed nor ready for business before March 1st. Both state and national memberships were taken by this company before they had a dollar's worth of business on the books.

MASSACHUSETTS.

A hearing on the bill purporting to increase the rate on small loans from 3 to 3½% per month will be held in Boston, March 29th.

BORROWERS.

When you hear one boasting that he never borrows you may smile.

For, as a matter of fact, we are all borrowers, have little we can call our own, except our own diseases, and earn only a small portion of what we get.

We are not speaking of umbrellas and stovepipes, but of those more valuable possessions, the things that actually minister to our comfort and that build our success.

Bacon, for instance, called attention that kings and rich men are happy, as it were, by a sort of borrowed happiness.

Most of our troubles are borrowed. We borrow half from the past, in the shape of regrets, and the other half from the future, in the shape of apprehensions; the present is never so bad.

Love, the greatest thing in the world, is borrowed. You cannot pay for it without spoiling it. The smile, the kiss, the tender favor of your lady, they are but lent you—you must return them or lose grace.

Life itself is borrowed from our mother, the earth, and to her we must all return it.

And did any youth ever pay for his education? His college was founded by generous givers. His knowledge he begs from books. His inspiration is handed him by some rare teacher, as one lends a lighted torch from which to light another.

Friendship is borrowed. Beware how you take and do not repay. Soon you will have no friends at all.

So we go through this market place of the world, naked and moneyless when we enter, naked save for lent cerements which we leave, borrowing right and left, bread and meat at our father's table, care and loyalty from the all-giving soul that mothers us, kindness from passers-by, thrills from women and comradeship from men, wisdom from the aged and merriment from youth, beauty from flower and sky, warmth from sun and fire, refreshment from the winds, nourishment from fruit and plant, not to mention the subtler yet weightier things we borrow from souls.

Even our experience; the best part of it and the most precious, is not our own, for, as the Latin says: "Felix quem faciunt pericula autem," which is to say, it is better to borrow experience than to buy it.—*Chicago Herald and Examiner.*

NEW MORTGAGE LAW FOR KEYSTONE STATE.

W. A. Skinner, Esq., of Susquehanna, is Member of Investigating Committee.

Shall there be a law passed in Pennsylvania permitting chattel mortgages? This question is now engaging the attention of the Pennsylvania Bar Association. A committee of five lawyers in the state is now investigating and sounding public sentiment, and if found favorable to such a law the committee will draft an act and submit it to the legislature. This committee was appointed by the president of the State Association and Attorney William A. Skinner, of Susquehanna, is the representative from Northeastern Pennsylvania; the chairman of the committee is Graham C. Woodward, Esq., of Philadelphia.

Under the law of this state it is impossible to give or take a mortgage on personal property. Persons owning real estate can obtain loans from banks and others because they are able to pledge their property as security, but those owning personal property, even though worth many times as much as the real estate owner, can not exercise this privilege because no provision is made for pledging this kind of property.

Many farmers, merchants and laboring men have their entire savings invested in their cattle, machinery, stock of goods or household effects. Should they wish to borrow money to increase their stock, purchase a farm or home, or for any purpose, these personal effects cannot under the law as it now stands be used for these purposes because no mortgage can be placed on a plane of equality with the owner of real estate, and that if such a law passed it would be of great benefit to the farmers and laboring people.

The reports so far received by the committee indicate a sentiment in favor of the proposed law and it is probable that the committee will meet in Philadelphia and prepare an act for the legislature which meets next month.—*Susquehanna Transcript, Dec. 30, 1920.*

MARYLAND.

A meeting of the Marlyand Association was held at Hotel Emerson, Baltimore, March 15th, an account of which will appear in the April NEWS.

VIRGINIA.

H. L. Keiss, the newly elected secretary of the Virginia Association, sends us the following interesting account of the meeting held in Richmond, January 18th:

The meeting was held in the Gold Room of the Old Colony Club, Hotel Richmond, Virginia, at 4:15 p. m., on Tuesday, January 18, 1921.

Meeting was called to order by chairman, and at his request Mr. Edgar P. East presided.

Members present included Messrs. McMurtrie, Bray, Bradshaw, Keiss, Edge, and Miss Harris. The following visitors were present:

V. D. Moss, Philadelphia; Hamilton G. DeWeese, National Field Secretary; Harry E. Clark and Edgar P. East, of New York.

On motion by Mr. Edge, seconded by Mr. Bray, the reading of the minutes of the last meeting was dispensed with.

Chairman Edge made an oral report for all officers and expressed his hope that the Association would be more active this year than heretofore.

On motion by Mr. McMurtrie, seconded by Mr. Edge, authority was given to the treasurer to pay to the American Licensed Lenders Association, one-half of the first dues collected from new members, which Mr. DeWeese succeeded in inducing to become members of the State Association.

The chair urged that the following be given serious consideration by each member:

1. That membership be taken in local tradesbody, Chamber of Commerce, Board of Trade, or Rotary Club.

2. That each member continue the making of the smaller loans as well as those of higher average, that this field may not be neglected and that in our advertising we indicate a willingness to handle business of the character.

3. That where members learned of licensees splitting up larger loans so as to get the 5% rate, the matter be immediately called to the attention of Chief Examiner Richardson.

4. That local meetings of managers be held as often as convenient.

5. That each member in printing letterheads use a snappy slogan boosting their respective cities.

Mr. Harry E. Clark, of New York, read a splendid paper on "Team Work." Another splendid paper read was prepared by Mr. E. F. Moore, of Philadelphia, for the Pennsylvania Annual Meeting, entitled "Advantages of Membership in the State Association and the American Association. Both papers were well received.

On motion by Mr. Edge, seconded by Mr. Keiss, the following nomination for members of the Executive Committee, for the ensuing year, was made: Messrs. McMurtrie, Bray, Bradshaw, Keiss, Edge.

On motion regularly made and seconded, the nominations were closed, and on motion by Mr. Edge and again seconded by Mr. Keiss, the secretary was instructed to pass one ballot for the election of those nominated. He did so, resulting in Mr. McMurtrie as chairman of the committee, and the balance of the committee were duly elected.

On motion the meeting adjourned, there appearing no further business to transact.

Immediately following the annual meeting the Executive Committee went into session and the following were duly elected officers of the Association for the ensuing year, or until their successors are duly qualified. Mr. W. F. Bradshaw, Norfolk, chairman; Mr. C. H. Porter, of Norfolk, vice-chairman; Mrs. J. S. Edge, Richmond, treasurer; Mr. H. L. Keiss, 205 Withers Building, Norfolk, secretary.

The chairman immediately announced the following chairmen of committee: For Legislation, V. D. Moss; Membership, C. H. Porter; Publicity, F. H. Bray.

Mr. Moss at this time announced the appointment of Messrs. East and Mattingly as members of the Legislative Committee.

Mr. Moss gave one of his earnest talks upon the necessity of a closer and more active coöperation, by each and every licensee in the state, and for every member of the Association to act as a committee of one to bring other lenders into the State and American Associations.

Mr. Moss also urged everyone to coöperate with Mr. Tyler and the Legal Aid Society in the adjustment of any destitute case which may come to their attention.

Upon motion a rising vote of thanks was extended to the retiring officers for their work during the past year, and to the Committee on Arrangements, which made the luncheon and meeting a success.

There appearing no other business to transact, on motion the meeting adjourned.

Mr. DeWeese: *"Mr. Chairman, Members of the Association, and Others:*

"I have always heard that the wise men came from the East, but I have learned more than that; I have learned that they had down here a wise man named East. Every one knows when he can make good. There is no doubt I have made good during this first trip, and I feel most happy to have been given the opportunity to say a few words to this Virginia Association. I get the impression that you have seen better days down here, but in this historic and beautiful state, and under the spell of true Virginia hospitality, I feel that we are all inclined to look forward to a bright future, and I am happy to be here.

"I am somewhat in the position, however, of the farmer who started to market with his empty wagon, got stuck in the mud (I do not know whether you have bad roads in Virginia or not, but we have in Ohio) and he said, "Here I am, stuck in the mud, and nothing to unload." I do not know whether I have anything to unload, as you called on me a little too soon. I am to talk in Chicago on the 28th, and was just getting along fine, thinking I had two weeks to prepare, when here comes a telegram to come down here, but I will not unload the Chicago speech. They have already served notice on me in Ohio that when I address their Association on the 3d, that I must not rehash and give them that old Chicago speech.

"Are all of the members of the Association here? I get the impression here now that there is some little feeling of unrest among the loan men. There probably will be until the business becomes firmly established, but there is a slogan that I would like to leave with you, and it is this: 'United we stick, divided we are stuck,' and this reminds me of the old gentleman who had seven sons and he wanted to impress upon them that they must stick together, so he went out and gathered seven sticks and he bundled together the seven sticks and handed them to each to see if they could break the seven sticks, and not one could break them, but he took the bundle of sticks, untied them and broke one at a time. Let's not be sticks, let's be bundles, and stick together. Now, I do not think that I should take up more of your time, but I want to thank you again for the opportunity of being with you at this time and hope that we will become better acquainted."

OLDEST NOTE, OF 1962 B. C.

Interest 40 Per Cent. a Year, and by This Time Accumulation Would Pay National Debt.

By William A. M'Garry.

If the descendants of II Sinnutum can make a round-up of those who can trace back their ancestry to Bur Mama, the widely known business man of Nippur of the year 1962 B. C., they may, as the lawyers say, learn something to their advantage. For it has now been proved by legal records that Bur Mama did borrow in that year from II Sinnutum the sum of four shekels in silver, and so far as the records show never got a receipt. The note which he made at the time of the transaction in the presence of four witnesses is still in existence.

As nearly as experts in Babylonian value can figure it, a shekel in the year 1962 B. C. was worth at least the equivalent of $100 in American money to-day. Business men and speculators alike protest to-day when they are required to pay more than 6 per cent. interest for loans, but Bur Mama willingly agreed to pay 20 per cent. interest for six months, or 40 per cent. a year. And he did this not because he had definitely made up his mind not to pay, but because it was the prevailing rate of his day and generation, and he had to meet the terms imposed.

It has been estimated by someone at the Museum of the University of Pennsylvania who is good at figures that at compound interest the amount due on this note to-day would be enough to pay the national debt of any country in the world. The note, inscribed on a tablet of clay and marked indelibly with the official seal cylinder of a notary public, was one of the first translations made on his arrival at the museum by Dr. Leon Legrain, the young French soldier-priest who is now the curator of the Babylonian section.

For sheer human interest, however, it is doubtful if even this remarkable document will attract as much interest as a series of heraldic records on which Dr. Legrain is now at work. By these he has shown already that anybody who amounted to anything in ancient Babylonia had his family coat of arms, in which appeared the figures of lions and eagles in the postures familiarized by British families in relatively recent times.

Of even greater importance for the light it throws on the high standing of

the art of writing in the days of Abraham is a clay tablet containing the coat of arms of a scribe and of his son. In both the figures used are rearing lions. It might be stretching the truth a little to say that the oldest family insignia in the world is that of a writer, but it may be safely stated that so far no older one has come to light than this now in the Nippur archives at Philadelphia. Its date is not definitely placed, but it is estimated as some time prior to 2000 B. C.

Both of these tablets are of extraordinary importance also to archæologists and to students of ancient art, manners and customs for the story they tell of Babylonian culture and religion.

It is said by those who know that not more than six living men can make translations of Sumerian. The reason for the difficulty lies in the fact that one sign may have as many as sixty different meanings. There is no complete alphabet, no grammar to guide the translator. Each worker in the language prepares his own dictionary, which eventually is made available for others. In a dozen years of work Dr. Legrain has card-indexed thirty-five thousand words—or signs representing that number of words.

The following is a literal translation of the unpaid note referred to:

4 shekels of silver.
Rate 2 shekels per 10
Interest due.
From II Sinnutum
Bur Mama
Has received.
In the month of Simanu (May)
He will return it.
Witnesses: Shamash Ellili,
Turgutum,
Sin-Magir,
Thu-mansum.
In the month of Warakh-Sanna (October).
Year in which King Rim-Sin
Occupied the town of Dur-Damigilishu.

"Two seal impressions and the date of the year in which this note was made."

CREDIT ORGANIZAZTION.

An inquiry into credit accounts in neighborhood stores carried out early in 1915, while the industrial depression was at its worst, showed that in addition to a decrease in sales, retailers were faced with a considerable need to extend credit. An effort made in New York to organize credit on an extended scale with the aid of large philanthropic loans at a nominal rate of interest did not materialize, although it had the support of a number of influential citizens who wished their contribution to the relief of unemployment to take the form of loans to tide deserving families over the difficult period rather than make them subjects of outright money grants. The organization of loans as an important factor in the relief of unemployment is one of the least understood but, rightly handled, most helpful contributions to the alleviation of distress. The reason why it failed at that time was that a period of general stress is an unfortunate one in which to start accumulating a loan fund; it was as impossible of achievement as it would be to start a sickness insurance scheme effectively in the midst of a serious epidemic. Moreover, those interested in the idea were naturally not prepared to vest large sums in a scheme that was temporary and in no way preventive or stimulating to self-help. [Unfortunately five years have gone by without realization of that plan on a permanent basis, so far as New York is concerned, though savings and loan institutions in other parts of the country seem to have taken advantage of the prevailing prosperity greatly to increase savings deposits in various forms by determined educational campaigns.—EDITOR.]

A complete credit institution for the industrial population would have to differ from existing loan institutions in the same way that the Raiffeisen and other European rural credit systems differ from the ordinary banking facilities for farmers; that is, those acquainted with the whole of the circumstances under which the individual applicant earns his living and who have confidence in his personal integrity and means of supervising his industrial activity alone are in a position to gage the amount of ready cash with which he can safely be entrusted. When other banking security is out of the question, the mutual security which can be given by men associated in the same industry or other common interests often is sufficient to warrant substantial loans. But this security has for its essential condition permanency of organization; it cannot be created in an emergency.

The credit union plan comes nearest a realization of this principle. A credit union is a coöperative association for promoting thrift among its members and providing them with credit facilities. All the members share equally in privileges and ratably in profits. Each member has one vote. The basis of membership is some common bond or community of interest; apart from this, good moral character and a reputation for honesty, sobriety and industry are the only qualifications for membership. There is no limit, as a rule, to the issuance of shares, but frequently to the number of shares each member may hold. Shares can be transferred only to members, but can be withdrawn under certain conditions. In addition to the share capital, the funds of the credit union may be increased by savings deposits of members and loans from others. The borrowing power of these unions is restricted by law; it is only exercised in an emergency, and as a rule upon a vote of all the members at a general meeting. Loans are granted to members only if the purpose for which they are requested can be shown to serve some socially desirable end. [For explanatory literature write to the Division of Remedial Loans of the Russell Sage Foundation, 130 East 22d Street, New York City.]

The obvious drawback to this plan, excellent in every respect, as a source of support to be relied upon for the relief of unemployment, is that the large classes most in need of credit at such times cannot be induced to join such a bank when money is plentiful, and thus provide for a rainy day. The plan appeals more largely to those least likely to need it for such a contingency. Moreover, it shares with trade union out-of-work benefit funds the disadvantage that it places the risk, if not the burden, of relief upon the men who are thrown out of work through no fault of their own and does not contribute to the forces that make for prevention of unemployment or the speedy bringing back of normal conditions. A plan under which employers can be made to contribute directly to the support of employees dismissed through slackness, or which at least throws some part of that burden on the community at large, thus making it acquainted with the distress wrought by a largely preventable unemployment, would do more for a wholesome and fundamental consideration and understanding of the problem and stimulation of a more statesmanlike policy in regard to it. Another criticism is that, in practice, the credit union scheme does not intimately relate loans made to proofs of the borrower's unemployment or his probable earning capacity when employed, so that he may either receive more than he can conveniently pay back in a given time or, under too rigorous an administration, less than he needs and can afford to borrow. It does not provide a definite source of aid on which the individual can rely, as in the case of an insurance or out-of-work benefit scheme.—*The Survey, Feb. 5, 1921.*

REASONS WHY.

L. T. Baker, the energetic National Membership Committee chairman of Chicago, appears to be working twenty-four hours a day and seven days a week, judging from his prolific correspondence on the subject of membership in state and national organizations. One of his ideas to further this work was recently to address an inquiry to a number of members asking them to give him several good reasons why all decent lenders should be members of State and National Associations. Here are some of them:

The one word for success in our undertaking is *"coöperation."* Through coöperation we gain legislative strength and business protection. Through coöperation we can dignify and uplift our business, can exchange information, can use uniform books and papers, can get a uniform and better construction of the law and can work more harmoniously and to better advantage with the State Department. Through coöperation we can be kept advised of all important matters pertaining to business. Through coöperation we can give collection service in any part of the country where we are represented. Our Association is strong for coöperation.

A membership certificate in our organization entitled the holder to the LENDERS NEWS, a most valuable publication edited by the secretary of our national body.

We need the coöperation of *every* licensee. Let's have it. W. A. ZUMPFE.

For the same reason that we *insure* our personal property against fire; *insure* our lives in case of death; *insure* against accidents, or any other *insurance*.
W. P. WOLL.

Knowledge of business is the result of experience in that business. One who secludes himself from all others similarly engaged limits his knowledge to his own experience, while one who associates himself with such others acquires knowledge from their experiences.

The man who habitually secludes himself from all others engaged in his kind

of business is generally considered and sometimes becomes "queer."

An individual can rarely make himself heard, but the voice of a group is always audible.

It is easy to break a single stick, but with a bundle it is different.

Proportionately there is as much reason for a business association as there is for an association commonly called a state. Both protect and guide their members. CHARLES R. NAPIER.

Association membership means organization, intelligent coöperation, and business protection. Organization may be defined as unity of service among a number of individuals, who think as a group in order to attain a common, desired end. A business that lacks organization lacks growth and development,—in fact, the progress of the entire world depends upon organization. Through the efforts of the Associations the uplift and development has been continuous. Every licensed lender should realize that his help is needed to perfect this organization—the vehicle which brought this business out of the mire. It is the best business insurance any loan broker can make. It pays large dividends in protection and efficient service and brings to his business a spirit of coöperation that cannot be obtained in any other way. It establishes mutual confidence with your competitor and promotes harmony and coöperation.

When you enter into this spirit of coöperation with your competitor, you realize the power that it is, and as a result, your business is conducted with less waste and expense and more efficiency. A member of the Association has the right to use this power of coöperation. Customers never question the integrity or good intentions of an Association member. A certificate of membership speaks for itself, and if placed in a conspicuous place in your office, does much to inspire confidence in the minds of all prospective customers. E. F. MOORE.

Every kingdom divided against itself is brought to desolation; and every city or house divided against itself shall not stand.—*Mat. 12: 25.*

A wise man associating with the vicious becomes an idiot; a dog traveling with good men becomes a rational being.

He who is not with us is against us.

United we stand; divided we fall.

There is no good reason why *every licensee* should not be a member of our State and National Association. Also of his local Board of Trade or Chamber or Association of Commerce as well as his State Association of Commerce. There is only *one* excuse for his not doing all of these things, and that is because he "can't afford it and wants to save the money." The fact is he can't afford not to, and the poorest way to make money is to keep it. Money paid for membership in bodies like ours enables the one making the investment to associate and confer and advise with successful loan men in all parts of the country and assures coöperation in all matters pertaining to the business, including the collection of out-of-town accounts.

As the greatest cables are made up of the smallest wires, the greatest associations are made up of the largest members of small or so-called little business men.

In unity there is strength.

L. C. HARBISON.

Membership in state and national organizations enables one to keep in touch with all important happenings in the small loan world; it creates a better understanding between those engaged in the business and in insurance against whatever is prejudicial to its best interests.

It takes united effort to accomplish what is worth while in any line of business.

"In union there is strength."

R. M. RUTHERFORD.

1. Self-preservation by means of united effort.
2. Cleaner competition.
3. Benefit of advice and counsel of fellow members.
4. Exchange of ideas.
5. Our organization and its individual members gain favorable recognition from civic, commercial and reform organizations and other lines of business.
6. Opportunity to the small operator of one office in one city to get the benefit of experience of a chain office competitors who operate on a large scale.

D. H. ROSE.

You can not get away from the old saying, "In union there is strength." It is cheap business insurance. It cuts the losses on out-of-town skips. An Association *makes* you *know* your fellow members. An Association *makes* you *trust* your fellow members.

ALBERT P. SNITE.

The development of the fraternal and social side among those engaged in the same business which has proved to eliminate unfair competition and to get friendly services, mutual aid, and interchange of valuable information.

Collectively lenders have been able to build up an institution that has materially reduced the activities of unscrupulous borrowers with intent to perpetrate fraud. Association members who are furnished a certificate of membership, also a reward sign to be displayed in the lobby of their offices, have claimed that a number of applicants who doubtlessly intended to defraud lenders cut short their negotiations. On the other hand these actually guarantee good faith to the borrowing public and prove a substantial aid in gaining the confidence of the borrowing public that they will be dealt with fairly. CHAS. G. MUELLER.

Big men stick together, little men do not. Therefore, big men remain big, and little men stay little.

Organization is our chance to "stick together," and without being a member of the organizations formed by men in the so-called small loan business one cannot elevate himself from the "little men" class. B. E. H.

For educational reasons by close association with other loan men. Having the benefit of many men's minds and thought.

More can be accomplished through a strong association than individually, especially in legislative matters.

Association sets up a higher and better goal to work up to; gives business a better prestige. Most every class of business is organized national and by states.

By coöperation in out-of-town collection and exchange of favors and information. Very truly yours,

N. ALBRECHT.

Because it is a mark of distinction.

Because of unselfish, reliable credit information from competitor members.

Because in the future the enlightened public will look with suspicion and disfavor upon an industrial loan company that is not a member of their respective State Association.

Because of the opportunity afforded at the national convention, and state meetings, to come in contact with the brains of the business, an exchange of ideas, and social intercourse.

Because the information obtained at just one convention or meeting will pay big dividends on the small association fee investment.

A man may understand his business from A to Z; he may read men like an open book; he may do a big business, yet be ignorant of the fundamental principles upon which the life of his business depends. Optimism of ignorance.

So long as business is merely of local character and limited scope, a concentrated outlook may serve its ends. But when the business is of national scope, and exposed to the whims of legislative forces, such limitations are likely to prove dangerous.

More than one-half of preparation consists of information. He who is well informed is rarely unprepared.

Publicity is a remedy of many ills, etc., etc.

A business or men wishing to be held in esteem should associate their business and selves with those who are estimable.

E. M. STEIMLE.

Should be a member

Because of the sheer force that an organized, intelligent, experienced body of men, dealing in and with a distinct business, as the loaning of money, will have with the combative forces that are always ready to come in and disturb and meddle with a business in which they themselves are not engaged.

Because of the moral effect that numbers have, not only as to the public but to the legislator, and those in authority.

Because of the direct benefit to the individual, from the standpoint of exchange of confidences and experiences, obtained by correspondence and in the conventions.

Because of the confidence each member feels in himself, and his business when he realizes the number and the representative men engaged in the same business.

Because
he should;
he would
be good
if he could;
so he could
be good,
if he would;
and why not be good
when you could?
So let's be good
when we would
and we could.
Let's join.

Read slowly.

Thanking you for the privilege to make these, and there are many others to be made. With best wishes for you and your business.

Yours very truly,

ARTHUR E. PARIS.

Do You Expect Someone

to pay your house rent?
to educate your children?
to stand your losses?
to support your church?
to protect your property from thieves and fire?
to clothe yourself and your family?
to pay your income tax?
In all, do you expect to enjoy all the privileges we do enjoy in this great commonwealth and do nothing to help yourself and your neighbor?

An association of fellows that are the best in your business are bound together in a great campaign of uplift and they need your financial and personal support. Your dollar is just as big and will accomplish just as much as your neighbor's, and it is badly needed.

J. A. MACBETH.

NATION'S BUSINESS.

WASHINGTON, D. C.
March 2, 1921.

DEAR MR. KEHR:

A full understanding on the part of business men of what business organized can really accomplish is a very real problem to every man engaged in commercial organization work. This must affect the work you are doing in your industry. It is our experience with the National Chamber.

We feel that broader distribution of *The Nation's Business* will not only strengthen every organization in our membership, but will quicken the effectiveness of the National Chamber.

With this end in view we ask your active coöperation to promote *The Nation's Business* with members of your organization.

A Philadelphia executive said to our representative recently: *"The Nation's Business* crystallizes in my mind an idea of what organized business can bring about.

"It has made me realize that we business men can't concentrate on our individual problems and get anywhere. *The Nation's Business,* instead of going to 80,000, should reach a million."

The place to seek broader distribution has proved to be among the members of organizations affiliated with the National Chamber.

Your proprietary interest in *The Nation's Business* prompts us to call on you to assist in this way. The greater spread of *The Nation's Business* will react favorably for the good of organized business as a whole. This is of immediate interest to your organization.

I hope you will express a willingness to coöperate with us in introducing *The Nation's Business* to the membership of your organization. Experience has demonstrated that the most effective method is a letter over the signature of the secretary to each member. A suggested form of letter is enclosed. Any expense involved will be reimbursed promptly.

Looking forward with much pleasure to hearing from you at an early date and hoping you will write us at any time we can be of assistance, I remain,

Sincerely yours,
D. A. SKINNER, *Sec.,*
Chamber of Commerce, U. S. A.

BOUQUETS.

The following complimentary references to our work are appreciated. The National Secretary, who happens to be in charge of some of the work mentioned, does not consider he personally deserves any special mention, but that this gives him an opportunity to circulate with the least effort information among those whose coöperation makes his work possible. Suggestions and constructive criticism are just as welcome as compliments.

LOUISVILLE, KY., March 5, 1921.

DEAR MR. KEHR:

Permit me to congratulate you on the February edition of the LENDERS NEWS. It contains a great deal of first-class matter, all of which I have read with interest. Sincerely yours,
R. M. RUTHERFORD.

MINNEAPOLIS, MINN., March 4, 1921.

A. I. L. L. A.

Gentlemen: We are very pleased with the Year Book and its contents. Enclosed you will please find a one-dollar bill to cover the expenses. Wishing you great success in keeping up the good work, hope to receive the Year Book for 1921. Thanking you for your past favors, we are, Yours very truly,
C. PETERSON.

BURLINGTON, IOWA, March 3, 1921.

MR. G. W. KEHR, *Nat'l Sec.*

Dear Sir: To-day I received the INDUSTRIAL LENDERS NEWS containing the separate copies read by P. B. Reeves, E. F. Moore, and an address by Senator John Dailey, of Illinois, all of which I appreciate reading as much as our daily papers; in fact, more, as the LENDERS NEWS sure has top-notch news and information in it, and is a good thing for all members to read, and always look forward to the time for this paper to arrive. Yours truly,
H. L. LEIDIG.

"THE BRYAN UTILITY BUREAU."
E. T. Binns, Gen. Mgr.
BRYAN, OHIO, Nov. 20, 1920.

MR. J. FRED ANDERSON,
Sec'y, Ohio Loan Assn.,
Springfield, Ohio.

My Dear Sir: When attending the American Industrial Licensed Lenders Association National Convention at Indianapolis, I was quite surprised to learn that so large per cent. of the licensed lenders were neither members of the State or National Associations.

This I cannot understand from the fact that we would not have the law to support us if it were not for the State Associations' efforts.

The officers of the Association are always on the alert to detect any opposition that may be started to injure the business we are engaged in.

In the past, to the average member of the legislature the rate required for small loans was looked upon as excessive, and it has taken the constant effort of our State Association to interview the members and convince them that we could not conduct the business with sufficient returns with a smaller rate.

I feel that to be in the business and not support the Associations which make our success, is not a fair deal. Without the State and National Associations' activity, in five years we would have no business.

I write this to encourage you to make a continued effort to induce every licensed lender in our state to become a member of the Associations, and especially the State Association.

I am proud of the INDUSTRIAL LENDERS NEWS, published in Harrisburg, Pa. It is a great assistance to me in my business. I enjoyed the national meeting, and I feel that it was a great success and well worth attending. May our state meetings be as profitable.

With kindest regards, am am,
Yours respectively,
E. T. BINNS.

CHICAGO, March 1, 1921.

DEAR MR. KEHR:

The last issue of the LENDERS NEWS reached me yesterday, and it certainly is a dandy in respect to size, at least, and I trust it will prove enteresting to all.

It must require a great deal of time and thought to compile this publication each month, and I wonder if many realize the credit which is due you in handling the matter so efficiently.

Very truly yours,
L. T. BAKER.

CHICAGO, ILLINOIS, March 10, 1921.

DEAR MR. KEHR:

Let me congratulate you on the February number. It surely is the best so far.

Yours very truly,
THE WILLIAM I. MARSH CO.
Per W. I. Marsh.

FARM LOAN ACT O. K.

Supreme Court Holds Law is Constitutional and Valid.

Washington, Feb. 28.—The Federal Farm Loan Act was held constitutional to-day by the Supreme Court. This is the act under which land banks were established to extend loans to farmers.

The act was attacked on the ground that congress was without constitutional authority to establish farm loan banks and to exempt their bonds from taxation. Justice Day, who rendered the opinion for the court, said the power of congress to establish banks had in a broad sense been upheld by the Supreme Court in the days of Chief Justice Marshall.

Millions of dollars in loans to farmers have been held up pending a decision of the court in this case.

LICENSED LENDERS MEET.

President Noel was the principal speaker at the quarterly meeting of the Illinois Industrial Licensed Lenders Association (subdivision 55), which took place at the Morrison Hotel, Friday, January 28th. A number of important topics were discussed, among them being: "How to Conduct Industrial Loans During the Present Period of Reconstruction," "Educational Publicity for the Association Regarding its Aims, Purposes and Methods Relating to the Public," "The Association's Desire to Coöperate with the Department of Trade and Commerce," "Its Aim for the General Uplift of the Business in all its Ethics and Principles."

Assurance was given by George W. Kehr, of Harrisburg, Pa., and other national officers that Chicago would get the next national convention of the American Industrial Lenders Associa-

tion, which is to take place in September.

In his talk Mr. Noel told of how organized work is done by the Association in the many branches of its activities. He described the Wednesday luncheons of the Ways and Means Committee and invited his hearers to attend frequently. —*Chicago Commerce, Feb. 26, 1921.*

MALE HELP WANTED.

COMPETENT MANAGER FOR WELL ESTABLISHED LOAN OFFICE. ADDRESS P. O. BOX 390, PITTSBURGH, PA.

SITUATION WANTED.

A young man, 29 years of age, with five years' experience in the Industrial Loan business in the Central West, is open for engagement with a reliable company as manager of a medium-sized office. He can furnish references as to ability and integrity. If interested, address P. O. Box 778, Harrisburg, Pa.

ILLINOIS.

Preparations are now under way for another big meeting of the Illinois Association, next month. Among the new members who joined the Illinois Chamber of Commerce in February, we note the names of Charles Turgrimson and Arthur Erd, of Chicago, and the Rockford Loan Co. of Rockford.

AUTOMOBILES ON CREDIT.

Statistics collected by a concern interested in the sale of motor cars show that 46.7 per cent. of the cars sold from Aug. 1, 1919, to July 31, 1920, were disposed of on deferred payment plans. This information was collected from 10,000 dealers in all parts of the country, which dealers reported the sale of 149,136 cars in that period. Of that number 79,407 were sold for cash, and 69,729 went to the purchasers on credit. Farmers bought 38,216 cars on credit, according to the figures, and paid cash for 18,326 machines. City dwellers paid cash for 61,081 out of 110,920 machines.

The average time allowed a city dweller to pay for his car was 9.3 months. The farmer had an average of 11.1 months. For both city and country the average amount asked as the first payment was 40.3 per cent. of the value of the car, whether it be new or used, pleasure vehicle or truck.

The sale of automobiles on credit is comparatively new. Financial agencies have been organized to handle what they term automobile paper. Most of them have prospered and they see another era of prosperity as soon as the present buying slump is over. Dealers at the New York show were optimistic and production is being resumed in plants that were shut down. An effort will be made to increase the credit business, some of those interested claiming that there will be nothing unsound in the trade if 75 per cent. of the cars sold are marketed on deferred payment plans. It is said that not more than eight per cent. of the pianos, phonographs and other musical instruments are sold for cash. It is expected that city residents will be less likely to buy on credit than farmers. This may be traced to the custom of buying agricultural implements on payments. The farmer regards his car as a necessity and if he did not have the cash to pay for it he was as ready to contract a debt as he was to buy a mower, part down and the balance on time.—*From the Indianapolis News (Ind.).*

March 4, 1921.

My Dear Baker:

A PAIR OF SHOES.

I know a "gent" who had to be shod; so he could walk on the bright green sod. He saw an *"ad"* in the News one night, and bought a pair of *"kicks"* that he found too tight. Thirteen bucks and twenty-five cents he paid for these dogs with rubber heels so bright; he wore them two days—then was ready to fight —for he discovered his feet had grown over night; the shoes did not care—simply cried with delight, for his goat they got because they were tight.

What shall I do? this "gent" then cried, to get even with these dog-gone shoes that lied. He thought and he thought—then with a sigh—I'll sell them to Steimle—I'm sure he'll buy, for seven bucks is a bargain, he can't deny. He bought — sure enough — and I had to smile—for I knew those "kicks" would start a fuss after he walked a mile in the dust. A bunion, he has, that is tender and sore, but the gol-darn shoes said I'll make a couple more. I've got to get even, for this bargain sale made me sore. His poor old feet I certainly squeezed until he fanned his feet in the scented breeze. I'm sorry I treated him so rough, for he carted me off to a shoemaker tough, who stretched my skin till I hollered—enough. But now we are friends good and fast, and I'll stick to him to the very *last.*

By Walt Mason's uncle—Edw.

The enclosed check is good, if, it gets to the bank before I do.

Sincerely yours,
Edw. M. Steimle.

N. B.—I bought these shoes and after two days' wear found they did not fit and sold them to the author. L. T. B.

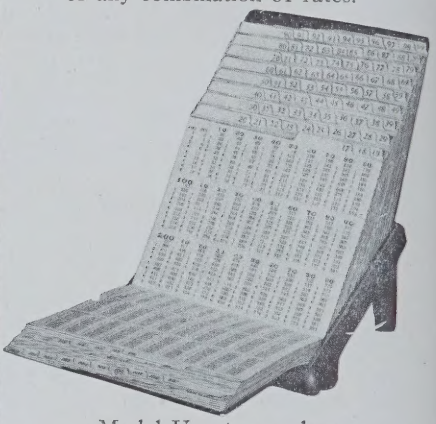
GOOD BUSINESS PROVERBS.

Smile.
Work.
Be kind.
Don't worry.
Systematize.
Be enthusiastic.
Be quick to forget an injury.
Be slow to forget a favor.
Think and act quickly.
Never have prejudices; they are very bad.
Be original.
Throw all the sunshine you possibly can into your business.
Steer a straight course and let the other fellow do the dodging. You'll find the world willing to step aside for one who knows where he is going.

You can't tell what's in a man's head by looking at its shape any more than you can tell what's in a barn by looking at the door.

MEILICKE CALCULATORS
are now being used by the large majority of Association Members.
Ask the Manager Who Uses One

Model 25-D
Meilicke *Time* and Interest Calculator, $175
2%, 2½%, 3%, 3½%, 5% in stock or any combination of rates.



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2½%, 3% and 3½% in stock.
Send for sample card.

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INDUSTRIAL LENDERS NEWS

Official Organ American Industrial Licensed Lenders Association Which Is a Member of the Chamber of Commerce of the U. S. A.

Vol. V. No. 10. APRIL, 1921. Price, $1.00 a Year.

ILLINOIS.

At the time this is written, elaborate preparations are being made for the next quarterly meeting of the Illinois Association, which will be held at the Morrison Hotel, Chicago, three o'clock, Friday afternoon, April 29th. Senators Hicks and Austin have already promised to address the meeting and there is a possibility of Arthur H. Ham, chairman of the National Federation of Remedial Loan Associations of New York, as well as the new Director of the Department of Trade and Commerce of Illinois, Mr. George Barr, being among the speakers.

The business session will convene at 2:30 o'clock in the afternoon, and the dinner and social session will be held in the evening from six o'clock on.

Among the guests, it is expected that Mr. DeWeese, the Field Secretary, will be present and address the meeting with reference to the progress made in Illinois during the present month.

Incidentally the Executive Committee of the Illinois Association is now working out an elaborate program of entertainment for the National Convention which will probably be held in Chicago, September 22, 23, 24.

MEMBERSHIP CAMPAIGN.

Under the leadership of the National Membership Committee Chairman and the captains and lieutenants appointed in the several states, Mr. DeWeese, the Field Secretary, is making good progress. The results from Ohio, Pennsylvania, Maryland, Illinois, Iowa and Indiana, where these campaigns are now in progress, have been very gratifying. Among the new members and old members whom Mr. DeWeese and others active in the work have enrolled are the following:

C. E. Davis, Chicago, Ill.
E. Feldman, Chicago, Ill.
Felix Frenkel, Chicago, Ill.
Keenan & Co., Chicago, Ill.
A. H. Lenz Co., Chicago, Ill.
Louis Lefkovitz, Chicago, Ill.
Carl M. White, Chicago, Ill.
Crescent Loan & Investment Co., Evansville, Ind.
Mechanics Finance Assn., Evansville, Ind.
Amelia R. Bayline, Baltimore, Md.
Geo. Breitenbach, Baltimore, Md.
Clark & Co., Baltimore, Md.
C. Harry King, Baltimore, Md.
Lendahand Co., Baltimore, Md.
Mutual Investment Co., Cumberland, Md.
Alliance Finance Co., Alliance, O.
Northeastern Finance Co., Ashtabula, O.
Edw. Kellison, Bellefontaine, O.
John Kramer, Celina, O.
Ideal Finance Co., Cincinnati, O.
Monarch Loan Co., Cincinnati, O.
Citizens Finance Co., Cleveland, O.
Cleveland-Household Loan Co., Cleveland, O.
G. W. Britton, Conneaut, O.
J. A. Spencer, Greenville, O.
Franklin Finance Co., Lima, O.
Solomon Mortgage Co., Lima, O.
Marion Chattel Loan Co., Marion, O.
Middletown Coll. Loan Co., Middletown, O.
Citizens Loan & Credit Co., Piqua, O.
O. B. Security Co., Sidney, O.
Tiffin Finance Co., Tiffin, O.
E. F. Ferguson, Van Wert, O.
John T. Harbine, Jr., Xenia, O.
Home Chattel Loan Co., Zanesville, O.
Zanesville Provident Co., Zanesville, O.
Emergency Loan Co., Norristown, Pa.
M. M. Stewart, Philadelphia, Pa.

"WHAT'S IN A NAME."

You will remember Shakespeare said, "A rose by any other name would smell as sweet." Granting "Bill" was right, the name in this case distinguishes a flower which is known to the world for its beauty and fragrance, and to change it now would result in much confusion. However, when our National organization was formed in 1916 it seemed at the time "small loan brokers" embraced the necessary words to distinguish the personnel of our members and our business, but time and analysis proved in a couple years that "brokers" are merely the agents of other people and do not as a rule engage in a business on their own account. This not being the case in the small loan business where the people in it handle their own money, the word "brokers" was discarded for "licensed lenders" two years later, and most of the state associations followed suit in their official titles. Our official title for about three years has seemed to most of us to adequately describe our group from outlaws and unscrupulous lenders but strange to say, to the person not familiar with its purposes, it doesn't mean much.

A case in point is illustrative. The writer had occasion recently to appear before the Committee on Banks and Building and Loan Associations of the Pennsylvania Senate in behalf of the Pennsylvania Association which was interested in some legislation pending. Before the speaker was permitted to proceed with his statement one senator called out, "Whom does the gentleman represent?" I replied slowly, "The Pennsylvania Industrial Licensed Lenders Association," and explained its state and national affiliations with the state and national Chambers of Commerce, but from the look on the senator's face it didn't appear to mean anything until I said the "Anti-Loan Shark Organization," to which the previous speaker had referred, and that seemed to him to be descriptive of our organization. At any rate the writer was allowed to proceed with his argument without further interruption. Since that time opportunity to reflect a moment has been given and the thought keeps repeating itself, isn't that short title more descriptive and better understood by the public and the legislators whose favor we seek than either of our previous attempts. Everyone is familiar with the "Anti-Saloon League," the "Anti-Suffragettes," the "Anti-Blue Law League," and a number of other "Anti" organizations which unmistakably describe the purposes of these organizations.

The laws we operate under are known as the "Anti-Loan Shark" laws. Isn't it a logical deduction to say that the institutions that comply with these laws and form associations to uphold the statutes and make it their business to see that all who engage in the business comply with the law have a right to the title "Anti-Loan Shark League." Put the word "National" or the name of the state in front of it and you have a title that is understood by the public and at once distinguishes you from the outlaw or unscrupulous lender and one that is only half as long as the ones our national and most of our state associations now have.

Think this over from the public standpoint and not from the perspective of the loan man which most of us are so prone to do, and see if there isn't merit in it. Among others get a newspaper man's view of it. Let's have your ideas for publication so that this will not be a new subject when our next National Convention is held in Chicago in September.

Incidentally, this suggestion originated in the mind of the father of the Pennsylvania law, an experienced legislator.

G. W. K.

MARYLAND.

The annual meeting of the Maryland Association will be held in Baltimore, Tuesday, June 14th to elect officers and to hold a banquet with several invited guests, including the Maryland Bank Commissioner, Mr. Page, and the National Field Secretary, Mr. DeWeese.

An effort will be made to have representatives of all the licensees of the state present.

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INDUSTRIAL LENDERS NEWS

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NATIONAL OFFICERS, 1920-1921.

Chairman, C. H. Stratton, Sullivan, Indiana.
Treasurer, J. H. Aufderheide, 860 Lemcke Annex, Indianapolis, Ind.
Secretary, G. W. Kehr, 204 Chestnut St., Harrisburg, Pa.
Field Secretary, H. G. DeWeese, 1948 N. High St., Columbus, O.

VICE-CHAIRMEN.

Conn.—A. S. Edwards, 42 Bank St., Waterbury.
Ill.—Albert Snite, 58 W. Washington St., Chicago.
Ind.—Robert Spencer, Jr., Grant Saving & Trust Co., Marion.
Iowa.—T. J. Harrison, 115½ E. 4th St., Waterloo.
Md.—H. T. Mattingly, 102½ Park Ave., Baltimore.
Mich.—F. E. Stroup, 507 Commercial Bank Bldg., Grand Rapids.
N. J.—J. W. Whitstone, Frost Bldg., Plainfield.
Ohio.—C. C. Woodley, 229 Spitzer Bldg., Toledo.
Pa.—E. P. East, 175 Fifth Ave., New York.
R. I.—W. G. Wood, 268 Westminster St., Providence.
Va.—W. F. Bradshaw, 105 W. Main St., Norfolk.
W. Va.—Wirt V. Hawkins, 301 Wheeling Bank & Trust Bldg., Wheeling.
Unorganized States.—R. M. Rutherford, 203 Coleman Bldg., Louisville, Ky.

COMMITTEE CHAIRMEN.

Auditing, R. M. Rutherford, 203 Coleman Bldg., Louisville, Ky.
Finance, J. H. Dyer, 404 Commerce Bldg., Columbus, O.
Law, F. R. Hubachek, Esq., 610 McKnight Bldg., Minneapolis, Minn.
Legislation, C. H. Watts, 1011 Chestnut St., Philadelphia, Pa.
Membership, L. T. Baker, 109 N. Dearborn St., Chicago, Ill.
Publicity, W. G. Wood, 268 Westminster St., Providence, R. I.

The National Council is composed of the National Officers, Vice-Chairmen, and Committee Chairmen.

REASONS WHY.

To the nonmembers who are still outside the fold, here are some additional reasons why you should affiliate yourselves with our state and national organizations if you are interested in the small loan business.

"Every loan man should be a member of the State and National Associations to enable him to do his part toward perpetuating the business which is vital to him and in which he makes his living.

"He should not expect to derive all the benefits of an association unless his dues and his helpful ideas are given toward its maintenance."—*A. L. Wick.*

"Your voice as an individual is like unto a whisper—amplify it many times by joining an association of your fellows, through which sentiments expressed by you reach the ears of multitudes.

"We know you are a good loan man, but remember you are not alone in your profession—'There *Are* Others.' Join with them as a body and add *your* weight to *their* efforts to improve *your* business.

"Don't be too well satisfied with yourself or your business. Long after the crepe has been hung on your door there will still be room for improvement. So while you are here, do what you can—*get busy and sign up.*

"You know what the Association stands for! Bigger men and some possibly better, are for it. Sign up or condemn yourself as one standing against principles that are for nothing but *good.*

"The Association is working for you twenty-four hours a day, even if you don't know it. They appreciate your being with them in spirit, but we are not as yet in the spiritualistic realm. A check attached to your application wouldn't be half bad.

"Association will produce the proper regulations and aid in keeping them.

"More can be accomplished through association than individuals or firms can ever hope to obtain."—*J. A. MacBeth.*

PENNSYLVANIA FIRST AGAIN.

With the help of Mr. DeWeese, the Field Secretary, collections for membership dues in Pennsylvania during the month of March were greatly enhanced and the result was, on April 1st, the Keystone State jumped back in the first place so far as the amount of dues contributed to the national organization is concerned. Although Illinois lost the first place, it slightly increased the amount of dues contributed. Even though the relative positions of Ohio, Indiana and Maryland did not change, each one of these states materially increased the amount of dues contributed. The other states with the exception of Iowa, with a contribution of $20.00, did not change their position during the month. Iowa's contribution was sufficient to bring it from twelfth to tenth place. The standing at the National Secretary's office, April 1st, is as follows:

Pennsylvania	$1,651 50
Illinois	1,586 00
Ohio	1,254 85
Indiana	833 50
Maryland	387 00
Michigan	275 50
Connecticut	200 00
New Jersey	198 00
Virginia	150 00
Iowa	141 50
Rhode Island	135 00
West Virginia	125 00
Individual members: Colorado, Georgia, Kentucky, Massachusetts, Minnesota, Nebraska,	565 00

PENNSYLVANIA.

The regular meeting of the Pennsylvania Association was held in Parlor A of the Penn-Harris Hotel, Harrisburg, at 2 p. m., Wednesday, March 30, 1921.

The meeting was called to order by Chairman E. P. East.

Thirty-three members and the following visitors were present at the luncheon which preceded the business meeting: Hon. John S. Fisher, Commissioner of Banking, Commonwealth of Pennsylvania; John W. Whitstone, chairman of the New Jersey Association; H. D. DeWeese, Field Secretary of the American Association; F. F. Hutchins, of the Commonwealth Finance Loan Corporation of Reading; W. D. Brown, of the Morris Plan Company of Philadelphia, and Henry E. Hodges, of the Reading Industrial Thrift and Loan Corporation of Reading.

The treasurer reported on hand, March 30, 1921, $228.15.

The secretary reported a membership of 67, 65 in good standing as of June 30, 1921. Fifty-one members are also members of the American Association, all in good standing as of Aug. 1, 1921.

Chairman Kehr, of the Legislative Committee, reported the passage in the House of Representatives of the Walker Morris Plan Bill, and that it is now in the Senate Banking Committee, and on which a hearing is scheduled for Tuesday, April 5th. Mr. Kehr likewise reported the introduction of many bills, during the session, of passing interest to our organization and of the close examination his committee had given each one.

Chairman Moss, of the Entertainment Committee, reported progress.

Chairman Hart, of the Publicity Committee, reported progress.

Chairman Ezekiel, of the Executive Committee, reported a luncheon meeting at the City Club, Philadelphia, on February 24, 1921, and recommended the following for the attention of the members: 1. That companies only who are operating distinctly under the Cox Act be admitted to membership. 2. That further effort be made to have a greater number of members join the Retail Credit Men's National Association. 3. Their approval was given the contemplated membership meetings, fostered by the Membership Committee, in Pittsburgh, Philadelphia and Harrisburg, during March. 4. That Messrs. Hart and Watts be appointed to call upon the Federated Loan Association of Philadelphia, wtih respect to the unfavorable publicity in the *North American* newspaper of Philadelphia.

Chairman Hart, of the Revision of Constitution Committee, reported progress.

Chairman Mueller, with the assistance of Field Secretary DeWeese, of the National Association, made a lengthy and favorable report of the activities of that committee during the month of March and of the success of their efforts.

The secretary advised of having a supply of Senator Daily's address, before the last convention of the National Association, at his office for general distribution, and recommended that members make free use of this splendid means of bringing the business favorably to the attention of the general public.

Mr. Kehr reported that the Committee on the Revision of Banking Laws and the Banking Department of Pennsylvania had not yet filed their report with the legislature.

E. C. Millard, of the Penn Loan Company and American Loan Company, gave a most interesting report of his experiences with promoting organizations establishing small loan offices, and his contact with a Chamber of Commerce, which was supplemented by Messrs. Gantz and Everhart. The report cannot be expressed in the minutes because of its length, but the secretary will be glad to answer inquiries from members.

Mr. Hart reported a satisfactory interview with the manager of the Federated Loan Association of Philadelphia, with respect to the unfavorable publicity obtained through the columns of the *North American,* and expresses his belief that this sort of thing would probably be discontinued promptly.

The sentiment of the meeting was expressed as being opposed to the enactment of House Bill No. 717, known as the Morris Plan Industrial Bank Bill.

On motion of Mr. Watts, seconded by Mr. Moss, the application for membership of the Commonwealth Finance Loan Corporation, 44 N. Eighth Street, Reading, was approved, and duly elected.

On motion of Mr. Kehr, seconded by Mr. O'Neill, the secretary was authorized to insert the following in the minutes of the meeting: That each one of our members who are members of a local Chamber of Commerce, file promptly a letter with the secretary, of a desire to be notified immediately of any promoting concern seeking to enlist the good offices of the Chamber of Commerce in the establishment of misrepresented welfare small loan organizations. Mr. Hart, of Philadelphia urged the members to publish in both newspapers and other advertising, their affiliation with local Chamber of Commerce, Board of Trade, etc.

Prior to the business meeting a luncheon was held, at which time Hon. John S. Fisher, Commissioner of Banking, Commonwealth of Pennsylvania, gave a most interesting, and well received, address on the subject of the relation of the Licensed Lender to the Banking Department. Mr. Fisher left no room for doubt as to his appreciation of the necessity of the small loan business in this state, and complimented the organization on the splendid manner in which the business is carried on by its members, remarking that of all businesses under his supervision, ours was the only one from which he had received no complaints last year. Field Secretary DeWeese also made an interesting talk concerning the progress of his work.

C. H. Watts, *Sec'y.*

IOWA.

It is a pleasure to publish the following from O. T. Clark, the "live wire" secretary of the Iowa Association:

"We are planning to have a meeting of the State Association here on the 21st of this month, at which time we will have Mr. DeWeese and some others with us, and we hope to show that the state of Iowa is progressive and that we have a real bunch of lifters here instead of a few lifters and a bunch of "luke warm leaners.

"Have you any suggestions to make that might help us to not only to lead the leaners in but put pep into them that will make them real lifters for all time."

Lifters Versus Leaners.

There are just two kinds of people on earth to-day,
Just two kinds of people, and no more, I say.

And the two kinds of people on earth that I mean
Are the people who *lift* and the people who *lean.*

Wherever you go you will find the earth's masses
Are always divided into these two classes.

And oddly enough you will always find, too, that
There is only *one lifter* to *twenty leaners.*

Now then, Stop, Look and Listen to Me.

In which class are you? Are you easing the load of the overtaxed National Association lifters who have toiled down the road to uplift the loan business to where it is to-day, by being a member of both the National and State Associations? Or are you one of the *leaners,* who sits back and lets others bear your portion of the labor, worry and care?

"Moral."

Lift Lift Lift Lift Lift

and show that you are a real lifter by attending the meeting of the Iowa Industrial Lenders Association which will be held in Des Moines, Iowa, April 21 to 25, 1921, and help to make Iowa 100 per cent. lifters.

WATCH IOWA GROW.

We would be unmindful of our duty if we did not take this opportunity to congratulate the Russell Sage Foundation, the well-known endowed philanthropy of New York, whose chief function is the improvement of American living conditions, for the enactment of the Uniform Small Loan Law in Iowa this year. The result was chiefly due to this organization's active field workers, Walter S. Hilborn, Esq., and Dr. W. H. Slingerland, whose persistent and untiring efforts, together with the aid of the local welfare bodies proved too much for the high rate lenders who opposed the passage of the measure.

Hon. Arch McFarlane, speaker of the house; Senator B. J. Horchem, Fred A. Canfield, president State Federation of Labor; Senator F. E. Thompson, and Representative T. J. O'Donnell did yeoman service and deserve a big share of the credit, as do the respectable lenders who were sincere in their desire to improve small loan conditions. Governor Nate Kendall supplied the necessary signature.

Much is now expected of the great state of Iowa, whose glories have been so eloquently portrayed by Tate J. Harrison at former national conventions. We hope there will be a big turnout at the meeting in Des Moines, April 21st, and that the lenders will take out licenses and comply with the new law and make it their business to see that others do. Iowa presents great possibilities for organization work and with the help of the rank and file the State Association officers can make it rank with the first few states in the National Association. We are confident that what other states have done, Iowa can and will do.

MONEY SHARKS ARE HARD HIT BY NEW LAWS.

Nashville, Tenn., March 29.—The house this morning passed by a vote of 77 to 8 a measure making it illegal to charge more than eight per cent. on loaned money. It was proposed to make the penalty a felony.—*Columbia, Tenn., Herald,* March 29, 1921.

THE SECRETARY.

If he writes a letter, it is too long; if he sends a postal, it is too short; if he edits a pamphlet, he's a spendthrift; if he goes to a committee meeting, he's butting in; if he stays away, he's a shirker; if the crowd is slim at a luncheon, he should have called the members up; if he calls them up, he's a pest; if he duns a member for his dues, he is insulting; if he does not collect them, he's crazy; if a meeting is a howling success, the entertainment committee is praised; if it's a failure, the secretary is to blame; if he asks for suggestions, he's incompetent; if he doesn't, he's bull-headed.

Ashes to ashes,
Dust to dust;
If the others won't do it,
The secretary must.

The above is what Secretary Gordon, of Danville, thinks about it.

LOAN BROKERS ASK NEW LAW.

Focht Favors Revision to Permit Reasonable Profit Here. Congress to Act.

Revision of the so-called pawnbroker or "loan shark" law which has driven most District firms engaged in that business to establish offices across the river in Virginia, where higher rates of interest are allowed, will be sought in the new congress.

Focht Favors Brokers.

Congressman Focht, of Pennsylvania, who will be the chairman of the House District Committee, is in favor of letting down the bars sufficiently to enable pawnbrokers to engage in business here at a safe and reasonable profit.

As chairman of the subcommittee that wrestled with the pawnbroker regulation bill during the last congress, Focht declared to-day he believed a solution of the problem could be found in permitting a 3 per cent. rate of interest, instead of the 2½ per cent., which the bill now stipulates as a monthly interest charge.

The bill with which the subcommittee had so many difficulties is opposed on the ground that it works too great a hardship on legitimate, honest pawnbrokers in its attempt to regulate the business.

License Held Exorbitant.

It imposes a license fee of $500 annually, which is regarded as exorbitant, besides requiring pawnbrokers to put up a $5,000 bond.

The strictest kind of police regulation, which meets with the approval of members of congress, is provided in the bill and in all probability will remain intact in it when the legislation is finally enacted.

The pawnbrokers ask relief from advertising charges which are required under the proposed law when unredeemed articles are offered for sale.

Congressman Focht said he hoped that the pawnbroker bill would be one of the first disposed of after congress meets and expressed himself in favor of giving the brokers the benefit of a reasonable rate of interest under which they could do business without a loss.

It is expected the bill will be considered by the District Committee of the House during the special session, when an attempt will be made to whip much District legislation into shape so as to gain time when the regular session convenes.—*Washington Times,* March 18, 1921.

HELP PASS THE UNIFORM SMALL LOAN BILL.

The Uniform Small Loan Bill, prepared by the Division of Remedial Loans of the Russell Sage Foundation, New York, which we investigated last year and found was a meritorious measure and one designed to improve small loan conditions in all American communities, has been introduced in the Michigan, Iowa, Massachusetts, and Minnesota legislatures this year. At the time this is written, the bills are being given favorable notice in the press of those states, most of the articles being headed that if passed the loan sharks will be driven out of those states.

As we have heartily endorsed this measure and know of its successful operation in Maine, New Hampshire, Connecticut, Pennsylvania, Maryland, Virginia, Indiana, Illinois, and in a modified form in some other states, we heartily commend to our workers in the field that they use their best efforts to enact this legislation which means so much to the necessitous working classes which are without banking accommodations.

The Uniform Small Loan Bill aims to regulate the small loan business in every state in the Union. Wherever it has been enacted, it has saved the working people thousands of dollars a year in interest charges. It is the product of social workers who have given ten years to the study and investigation necessary to improve living conditions in America. It provides all the safeguards necessary for the borrower and permits a fair rate to the lender.—*The Volunteers' Gazette,* April, 1921.

USURY LAW A FAKE, SAYS LOCAL BANKER.

Easily Evaded by Money Lenders Who Exact Commissions From Borrowers.

ADVOCATES CORPORATION WHICH WOULD BUY AND SELL REAL ESTATE MORTGAGES.

"The usury law of this state is nothing more or less than a fake."

This declaration was made yesterday by John H. Mason, president of the Commercial Trust Company, in a talk before members of the Philadelphia Real Estate Board at luncheon in the Bellevue-Stratford.

"The commonwealth of Pennsylvania may say that six per cent. is the maximum legal rate of interest, but you know and I know that that law is being evaded by way of commissions and similar charges. I hope the present legislature will eliminate the six per cent. clause altogether.

"To me, money or credit, or whatever you wish to call it, is just a commodity like anything else you buy and sell, and it is worth what it will bring in the open market. You can't legislate to make water run up hill and you can't fix prices by legislation. I wouldn't like to tell you what I think sometimes as I hear men urging such action as, for instance, the fixing of a price for Liberty Bonds. It can't be done."

Mr. Mason expressed strong disapproval of recent proposals to make mortgages free from taxation and declared all such proposals were founded on wrong fundamentals. All stocks and bonds ought to be subject to taxation, he asserted, whether they be bonds of this city, of Pennsylvania, or of the United States.

"We have just passed through a period when money was in great demand and if investors were able to secure very fine securities which returned a yield of eight or nine per cent. it is not to be wondered at that they declined to put their money in mortgages at six.

"You can't get a better investment than a first mortgage, but you must educate the people to the advantages of that form of investment. The public knows little or nothing about them. Instead of attempting to solve the problem in the way you now are doing I think you ought to view the whole situation more broadly and from an organization for the handling of mortgages. You ought to have a corporation capitalized at twenty-five or fifty millions of dollars to which a person could go and either buy or sell mortgages. The bonds of a railway company are nothing more or less than a mortgage on the company's stock and they are easily floated through the bankers. But the bankers do not buy them for themselves. They aim to resell and you ought to consider real estate mortgages in the same light."—*Philadelphia Inquirer,* Jan. 28, 1921.

CITY COUNCILS GET MEASURE.

Ordinance to Bar "Wildcats" Empowers Commission to Decide Merits.

Drafted for the purpose of protecting local investors from "wildcat" promoters, an ordinance regulating the sale by canvass of bonds or stocks of corporations, and providing penalties for any violation, was introduced into Select Council Wednesday night, at the March meeting, by Councilman Scott W. Baker. Provision for a City Licensing Commission, composed of the mayor, city controller and one other citizen, who shall serve for two years without pay, is embodied in the ordinance. The ordinance was referred to the Committee on Municipal Legislation, who will, after a month's consideration, refer it back to councils for ratification or rejection.

The passage of the ordinance has been urged by the *Examiner-New Era.* Several practical difficulties have been obviated in the new draft which was presented Wednesday night. The fee for the license has been changed from $100 to $50, and section 6 has been revised in such a manner as to allow the commission more leeway as to what stocks may be sold without formal application.

While the passage of the ordinance will not insure any investor from loss, it is expected to eliminate the class of promotion that has as its object the swindling of the public.—*Lancaster, Pa., Examiner-New Era,* April 7, 1921.

The foregoing suggests a means by which our members can be useful to themselves and the communities in which they do business.

REGULATING THE SMALL LOAN BUSINESS.

One of the disadvantages—call it that, at least—of being a small wage earner is the difficulty in borrowing money when it is needed in emergency. And everybody knows that there are plenty of emergencies. It is to meet the small loan need that the small loan company sets up in business. Now this has its disadvantages, too. The borrower has to be investigated; his collateral possibilities are not like those of the borrower at a bank, where credit is established in ways that are not open to the small wage earner. The lender is doing business on his own capital, not on deposits, as in a bank; and the operation of a small installment business, founded on loans that do not average more than $50, is elaborate and somewhat costly.

Both of these—borrower and lender—labor under disadvantages. But both are necessary in a community. And out of this necessity many leaders have grown rapacious, until they have come to levy tribute in an interest rate per year ranging from 100 to 400 per cent.

Setting out to curb this rapacity and stabilize a necessary institution, the Russell Sage Foundation has reached conclusions which are embodied in a bill now before the Minnesota Senate; it has passed the house. This bill provides for supervision and regulation, under license and bonds, through the state superintendent of banks. It requires full information as to final costs of a loan, to every borrower, in advance. It insures adequate return to the lender, to cover overhead costs and provide a reasonable profit. And it limits the interest charge to 3½ per cent. a month, or 42 per cent. a year, a rate which the Russell Sage people believe is the least rate which will enable this small loan business to be carried on in a community.

Behind this bill in the Minnesota Legislature are the Legal Aid agencies of the two cities, which coincide with the Russell Sage Foundation as a result of their own experience with borrowers and lenders. Social workers as well as men of Minneapolis and St. Paul who have been interested in curbing "loan sharks" for some years, are also supporting the bill. By means of it they expect to drive out the most rapacious lenders, and to regulate and control the others, who, it is believed by all who have looked into the question, are necessary to the community if the problem of the small loan in the small borrower's emergency is to be met.

The promoters of this measure include many high-minded men and women whose interest in the bill is not at all financial, but purely for the good of the borrower. In this light it would seem especially desirable that Minnesota join with Iowa, Indiana, Illinois, Maine, Oregon, and many other states which have this uniform small loan law on their statute books.—*Minneapolis Tribune,* April 12, 1921.

WHAT IS THE SMALL LOAN BUSINESS?

In order to gain a clear understanding of the so-called small loan business, it is necessary to determine the economic condition from which it springs and to note wherein it differs from other recognized institutions conducted primarily for the purpose of loaning money.

It is hardly necessary to call attention to the fact that the great majority of persons, especially in industrial communities, are wage earners. Comparing the earnings to expenditures, and using the most conservative figures, it may be said that among the wage earners 40 per cent. show a surplus, 40 per cent. are just even, and 20 per cent. show a deficiency.

It will be seen that a large part of the people stand just upon the border line and that any emergency which calls for an unusual expenditure, or a change in the conditions of the wage earner which reduces the income, pushes him over the border line. To this group, in times like the one through which we are now passing, is added many of those who, under normal conditions, show a surplus. Here we find a demand for small sums of money with which to meet immediate necessities.

It is as old as the money economy under which it arises and will continue to exist as long as the world stands.

Banks, trust companies, savings institutions and pawnbrokers are engaged in the business of lending money on approved security, such as real estate, stocks, bonds, diamonds or jewelry, or upon endorsements acceptable to bankers.

It is estimated that less than 20 per cent. of the American population have access to the financial facilities above mentioned.

The poor and needy number about 10 per cent. and these, in time of distress, are best assisted by charitable institutions.

This leaves the great majority, the so-called middle class: clerks, mechanics, electric and steam railway operatives, some professional people, housekeepers and small business men.

The working man, however, frugal, worthy and honest, owns little besides his own weekly wages and most of this is consumed for house rent, groceries, clothing and incidentals and must be disbursed in cash.

Occasions of sickness, death or marriage in the family, a period of industrial inactivity or many other causes which, from time to time, upset the finances of every breadwinner, will arise and give him rightful cause to borrow money, in anticipation of his earnings.

Personal property, mainly household furniture, forms the basis of security upon which these small loans are made, although the borrower's reputation, his salary and ability to meet the payments have much to do with the lender's decision in granting the loan.

The fact has been established that a real need, for such service as that furnished by small loan companies, exists, and that it is not met by banks, savings institutions and other agencies which supply the demand for funds in everyday business.

These agencies are at the service of a man of property when an exigency arises; but what about the man in a similar situation who possesses no other property than a possible meager household equipment and who can offer no further guarantee of solvency than a lien on his weekly wages?

The necessity for borrowing money for a short period of time is common to the man of large and small means. It is not contended that borrowing should be encouraged, but it is a fact that judicious borrowing is frequently an absolute necessity.

The business man, when he procures a loan from his bank, finds that the strong arm of the law has so regulated the banking business that the borrower is reasonably well protected. A very different condition of affairs exists when a man is compelled to borrow money for purposes of consumption.

The one man used the money he borrowed as an investment, while the other borrowed as a last resort to maintain his economic independence.

Nor is this demand met, except in a small measure, by the so-called industrial banks. This will be readily recognized from the following quotations from a report of one such institution for the first ten months of 1920.

"The first requirement of an applicant for a loan is that he or she must be employed."

"The applicant must secure two endorsers or comakers. Like the applicant, they must be employed and must be honest. If they are property owners or have bank accounts, so much the better."

"During the year 1920 (ten months), we have declined more than 1,650 applications for more than $550,000. Many of these declined applicants are worthy people, most of them are, but either their purposes did not meet our requirements or they did not secure satisfactory comakers. Many more asked for applications but were not given blanks; the preliminary interview disclosed that for some reason we could not make the loan."

It will be noted in this case that in order that a loan may be secured, three persons must be employed.

Compare this with the industrial condition following September, 1920, and it would seem that the usefulness of such an institution to the wage earner decreased in just about the proportion that the need for small sums of money increased.

It requires no argument to show that in all things economic a demand has invariably produced a supply, and that the supply will be available upon the terms dictated by the urgency of the demand and the conditions under which the supply is furnished.

It may be said of the particular demand under consideration,

That it is, in the majority of cases, a matter of real necessity.

That there is a general lack of knowledge of ordinary financial transactions.

That the ordinary individual generally overestimates his ability to repay.

Man is stimulated in all things economic by his desire to satisfy his wants with the least possible effort.

That under the pressure of necessity man will pay anything demanded in order to secure immediate relief.

That man is inclined to conceal all matters which affect his financial affairs, and especially so in matters in which he has allowed himself to be imposed upon.

That legislatures, except in a few states in recent years, through lack of sympathetic understanding of the foregoing conditions, have failed to pass constructive measures regulating the supply in this necessary economic field.

That there are among the human race some who are willing to take advantage of every opportunity to prey upon their fellow beings. Encouraging their vanities, enlarging upon their necessities and fears, and extorting from their victims, under guise of fees and charges, sums out of all proportion to legitimate returns for the service rendered.

To the foregoing conditions may be ascribed the responsibility for that evil, known to all communities and commonly called the "Loan Shark."

Various attempts to combat this evil have been made through the formation of remedial loan societies, composed of philanthropically inclined persons who invested money in these organizations, which engaged in the business of loaning small sums of money to necessitous persons at lower rates of interest than those which commonly prevailed in making loans of that kind; the idea was to charge a rate of interest high enough to pay expenses of the business and above that to yield only a small return on the capital invested; they have been very successfully conducted and loan out in the aggregate a large amount of money.

It was hoped in this manner to supply sufficient money for this field, to produce competition with the high rate lenders and thus compel them to lower their rates.

As time went on, it was found that it was not only impossible, by philanthropic or semi-philanthropic efforts, to supply the money to satisfy the demands of necessitous persons, but that it was even impossible in the localities where these corporations were located, to lower the rates previously charged.

The conclusion was reached that there was but one way in which to furnish a sufficient supply of money to meet the demand for this class of loans and to properly protect the public interests.

That of constructive legislation, providing for proper regulation and control of the business.

This is the principle involved in the incorporation acts, "Blue Sky" laws, the establishment of state banking departments, the licensing of professional people and the vendors of supplies necessary to human existence and even in the law regulating the expenditures of candidates for office.

Many years ago the Russell Sage Foundation, an endowed philanthropy of New York, through its Division of Remedial Loans, began to study this matter of loaning money to necessitous persons, with a view to understanding it and correcting its abuses. Its investigations were minute and thorough, and extended throughout the United States. It came into actual and close contact with the every-day features of the business It coöperated with public authorities in various attempts to regulate and control it. From every angle its survey has been thorough and comprehensive. It discovered that loans as small as one dollar were often made and that they ranged in amount up to several hundred dollars, not usually more than $300; and

they averaged in different localities and under different conditions, from $20 to $60 each. Another thing it discovered was that most of the borrowers simply had to have the money from sheer necessity, and, therefore, would pay any rate of interest that was exacted. This was generally under the guise of fees for services, and the actual interest paid was generally from 10 to 20 per cent. per month, but often much higher.

As a result of these years of study and practical experience, which included a knowledge of the effects of several experimental laws which had from time to time been enacted, the Foundation in November, 1916, in coöperation with some of the Remedial Loan Associations, prepared what they considered a proper law to govern the making of such loans, and which is now come to be known as the Uniform Small Loan Law. This law has been enacted in the states of Georgia, Illinois, Indiana, Pennsylvania, Maine, New Hampshire, Maryland, Virginia, Connecticut, Oregon, Utah and Iowa, and is working to the entire satisfaction of the state departments charged with its administration.

H. G. JOHNSON, *Secretary,*
Michigan Committee
on Remedial Loans.

BOUQUETS.

Addressed to the National Secretary and published for the information of those who make the work possible.

Please permit me to commend you upon the splendid results your efforts have won in this month's INDUSTRIAL NEWS. The loan men owe you a debt of gratitude which but few realize, and still fewer are willing to recognize. I think this month's issue of the NEWS is one of the best pieces of educational matter I have seen, not only to outsiders, but to the loan men themselves.

The fine space which you gave to Virginia should make them realize that the American Association is ready to recognize the efforts of everybody who is willing to do his part.

EDGAR P. EAST.

I had the pleasure last night, at my home, of reading the February LENDERS NEWS from beginning to end. The italicized recommendation of our business by Mr. Noel is very strong, and the paper by Mr. Woll contains many practical business hints which our members should adopt during this business depression. The speech by Mr. DeWeese reads very well and I can say his personality added very much to it when delivered at our midwinter meeting. I do not believe that you can appreciate from reading the songs prepared by Busche, the amount of pep that these songs created at our meeting when everybody present joined in singing them under his leadership. Everybody sort of broke loose and joined in the sentiment created by these different songs. Your speech at Chicago was fine.

I want to commend you on the very presentable issue of the February NEWS. It represents a lot of hard work and care in the preparation and arrangement. This publication as it is now being issued, in my opinion, is doing a world of good toward elevating the public opinion of our business. I do not know where you will find the data for the March and April issues of the NEWS, but possibly legislative activity in several states will furnish sufficient excitement to make these issues interesting reading for our subscribers. J. H. DYER.

Have just received our certificate of membership in the American Licensed Lenders Association. It is a fine piece of work, and I hope it will soon adorn every honest lender's office throughout the nation. With "Ham" DeWeese on their trails, the chances of escape are slim.

Am glad to note that Mr. L. T. Baker, of Chicago, is still taking such an active interest in the affairs of the Association. I "chased slows" and hunted "skips" for him when he managed an office for the Mackeys at Louisville fifteen years ago, and know that he is thoroughly capable of handling anything pertaining to the small loan business.

I expect to attend the next meeting and hope to have the pleasure of meeting you. J. J. DUKE.

INDIANA.

The Indiana Association will hold its annual meeting in Indianapolis, May 18. An interesting program is being arranged.

Among other features, Field Secretary DeWeese will make his initial appearance before the Indiana Association and will tell about his work. All licensees, whether members or not, are cordially invited to attend this meeting.

It is with pleasure we record the progress of State Membership Captain R. Y. Hartz, of Indianapolis, and Regional Captain S. F. Smith, of Evansville, who have already turned in a number of memberships in advance of Mr. DeWeese's expected arrival to clean up, beginning May 1.

Terre Haute Lenders Pleased With New Law.

Licensed industrial lenders of Terre Haute yesterday received letters from State Bank Commissioner Charles W. Camp requiring them to renew their licenses for 1921. This is the first time the state bank commissioner has taken an active step in this new department. Heretofore, the licensed industrial lenders have been under the jurisdiction of the auditor of the state, but the last special session of the legislature amended the law governing these two offices in order to simplify their duties.

The lenders are pleased with the change as their business is now recognized as a branch of the banking business. There are now in Terre Haute seven firms engaged in this class of business with a total investment of about half a million dollars. — *Terre Haute Star, April* 13, 1921.

ANOTHER REASON WHY.

This quotation, sent in by A. E. Paris, Peoria, Ill.:

"As the creeper that circles the tree-trunk,
So the law runneth forward and back;
For the strength of the pack is the wolf,
And the strength of the wolf is the pack."

BANKERS WIN ON LOAN BILL.

Combined influence of the bankers of the state of New Jersey again prevailed against what is known as the "Morris Plan" for small, short-term loans, defeating Assemblyman Elliott's bill authorizing the incorporation of companies to establish the system. There was considerable discussion of the measure, but its defeat was emphatic, as it has been in other years. The vote was 41 to 9.—*Philadelphia Record,* April 6, 1921.

RECENT ADDITIONS.

To the list of new members and contributors, the following have recently been added by the field forces:

J. L. Walden, Decatur, Ill.
Wolf & Harlem, Mt. Vernon, Ind.
H. M. Monroe & Co., Taylorville, Ill.
H. H. Messick & Co., Charleston, Ill.
C. M. Barrick, Robinson, Ill.
Commercial Loan Co., Danville, Ill.
Citizens Loan & Investment Co., Williamsport, Pa.
Continental Security Co., Continental, O.
Coshocton County Finance Co., Coshocton, O.
Eastern Ohio Finance & Coll. Loan Co., Steubenville, O.
Employees Loan Society, Harrisburg, Pa.
Equitable Industrial Loan Society, Newark, N. J.
Greer & Co., Chicago, Ill.
H. M. Griswald, Springfield, Ill.
Industrial Loan Co., Portsmouth, O.
Northwestern Finance Co., Defiance, O.
Sigmund R. Ornstine, Scranton, Pa.
Pennsylvania Investment Co., Harrisburg, Pa.
R. M. Royer, Paulding, O.
Wm. Russell & Co., Paulding, O.
Warren Finance Co., Warren, O.

A "POEM."

It was midnight on the ocean,
Not a street car was in sight,
The sun was shining brightly,
And it rained all day that night.

It was a summer night in winter,
The rain was snowing fast,
A barefoot boy, with shoes on,
Stood, sitting on the grass.

It was evening, and the rising sun
Was setting in the west,
And the little fishes in the trees
Were huddling in their nests.

The rain was pouring down,
The moon was shining bright,
And everything that you could see
Was hidden out of sight.

While the organ pealed potatoes,
Lard was rendered by the choir,
While the sexton rung the dishrag,
Someone set the church on fire.

"Holy Smoke," the preacher shouted,
In the rain he lost his hair,
Now his head resembles heaven,
For there is no parting there.

L. T. B.

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APR 8 1922

INDUSTRIAL LENDERS NEWS

Official Organ American Industrial Licensed Lenders Association Which Is a Member of the Chamber of Commerce of the U. S. A.

Vol. V. No. 11. MAY, 1921. Price, $1.00 a Year.

ILLINOIS.

"The best meeting we ever had." "Had a very pleasant time." "Am mighty glad I attended." "That was the best banquet dinner I ever ate anywhere." "The entertainment feature was very enjoyable." These are a few of the remarks that were passed at the last quarterly meeting of the Illinois Industrial Licensed Lenders Association, which was held April 29, 1921, at the Morrison Hotel, as those present were leaving the meeting room.

This meeting was called to order at 3:30 in the afternoon by Chairman Snite and a strictly business session was continued until 5:30.

BUSINESS SESSION.

Roll call and reading of the minutes were dispensed with; minutes being approved as published in the last issue of the LENDERS NEWS. Treasurer Lynch reported a cash balance of $275.32, with only one outstanding obligation.

Membership Committee reported eleven (11) new members since our last meeting held in January, eight (8) of which were secured by Mr. DeWeese, the National Field Secretary. One (1) was secured by Mr. A. C. Baughman, of Rockford, Ill., and another by Chairman Snite. Following is a list of the eleven (11) new members:

Tri-City Loan Co., Moline, Ill.
Forest City Loan Co., Rockford, Ill.
Carl White, Chicago, Ill.
Louis Lefkovitz, Chicago, Ill.
H. J. Carr, Hoopeston, Ill.
Clifford M. Barrick, Robinson, Ill.
Townsend & Manley, Mt. Carmel, Ill.
H. M. Monroe & Co., Taylorsville, Ill.
Carroll G. Roberts, Carrollton, Ill.
Harry L. Manning, Kane, Ill.
John H. Billings, Rockport, Ill.

This gives the Illinois Association a membership of 79; 38 of which are Chicago licensees and 41 down-state. Mr. DeWeese having just returned from several weeks membership work down-state, gave us a very interesting talk.

It must be evident to everyone that this membership work is extremely difficult, especially in dealing with licensees who are located in more remote localities where they are not thrown in touch with other members and where by everyday experience the advantages of associated efforts are not so apparent. The remarks of Mr. DeWeese are always of an inspirational character and there is no doubt but that his personal contact with the many licensees he has talked with during his tour of the several states, has been highly educational and will ultimately result in bringing about more complete sympathy with the efforts of both Associations and more earnest coöperation.

SENATOR HENRY W. AUSTIN, ILLINOIS.

The Publicity Committee called attention to a notice of our last meeting which was published in the *Journal of Commerce* by the Chicago Association of Commerce and also Peoria newspaper items which Mr. Paris, of Peoria, placed in his local paper. Down-state members can be of great service to their Association by following the example of Mr. Paris and at every opportunity bring the Association and its work before the public through their local publications. Clippings of such items as they appear should be forwarded to the State Secretary.

Mr. Weinschenk then read a letter from Mr. Joseph R. Noel, President of the Chicago Association of Commerce, calling upon our members, who are affiliated with the Commerce body, to contribute to the China Famine Fund. Mr. Weinschenk made a very effective appeal and no doubt Subdivision 55 of the Chicago Association of Commerce (licensed lenders) will make a very commendable showing in this humane movement.

Attention was then called to the *Credit World*, a publication issued monthly by the Retail Credit Men's National Association, National Bank of Commerce Building, St. Louis, Mo., which deals with all matters relating to the extending of credit, the handling of collections and the locating of skip accounts, etc. A large list of skips from all over the country is contained in each issue and the annual cost being only $5.00, makes this magazine very valuable reading to anyone in our line of business.

Mr. Napier then made a very interesting report on his Association activities.

After some discussion as to whether or not our next meeting, which will be

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NATIONAL OFFICERS, 1920-1921.

Chairman, C. H. Stratton, Sullivan, Indiana.
Treasurer, J. H. Aufderheide, 860 Lemcke Annex, Indianapolis, Ind.
Secretary, G. W. Kehr, 204 Chestnut St., Harrisburg, Pa.
Field Secretary, H. G. DeWeese, 1948 N. High St., Columbus, O.

VICE-CHAIRMEN.

Conn.—A. S. Edwards, 42 Bank St., Waterbury.
Ill.—Albert Snite, 58 W. Washington St., Chicago.
Ind.—Robert Spencer, Jr., Grant Saving & Trust Co., Marion.
Iowa.—T. J. Harrison, 115½ E. 4th St., Waterloo.
Md.—H. T. Mattingly, 102½ Park Ave., Baltimore.
Mich.—F. E. Stroup, 507 Commercial Bank Bldg., Grand Rapids.
N. J.—J. W. Whitstone, Frost Bldg., Plainfield.
Ohio—C. C. Woodley, 229 Spitzer Bldg., Toledo.
Pa.—E. P. East, 175 Fifth Ave., New York.
R. I.—W. G. Wood, 268 Westminster St., Providence.
Va.—W. F. Bradshaw, 105 W. Main St., Norfolk.
W. Va.—Wirt V. Hawkins, 301 Wheeling Bank & Trust Bldg., Wheeling.
Unorganized States.—R. M. Rutherford, 203 Coleman Bldg., Louisville, Ky.

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Publicity, W. G. Wood, 268 Westminster St., Providence, R. I.

The National Council is composed of the National Officers, Vice-Chairmen, and Committee Chairmen.

the annual gathering, should be held down-state or in Chicago, it was decided to call the meeting for Chicago.

The coming National Convention was talked about and the work of the various committees, so far as they had progressed, was approved.

Mr. Stroupe, of Grand Rapids, Mich., and Mr. Harrison, of Waterloo, Ia., being visitors at our meeting, were called upon and each made a few very interesting remarks.

The meeting was then thrown open for general miscellaneous discussion and formalities were thrown aside and all present mingled in a social way until 6:30, when members and visitors who were invited for the dinner and evening social session, all made their way to the Morrison Hotel Terrace Gardens, which is the show-place of Chicago in respect to unique restaurants, where very choice tables were in reserve for our party. In addition to the dinner, which was all that anyone could hope for, we enjoyed the usual Terrace Gardens show, consisting of ice skating, dancing, singing, music, etc.

At 8:30 the meeting was again convened in the room occupied during the afternoon, and we were entertained by very interesting talks given by Senators Austin and Hicks, stenographic copy of which follows.

As a very appropriate conclusion to this very enjoyable affair, Senator Austin conducted an unusually entertaining and amusing musical act in which Messrs. LeClaire, Steimle, Harrison and Oxman participated, much to their credit and enjoyment.

Stenographic Report of the Proceedings of the Illinois Industrial Licensed Lenders Association, Morrison Hotel, Chicago, Illinois, April 29, 1921, eight o'clock p. m.

CHAIRMAN SNITE: For the information of those who were not here this afternoon, I wish to say that Mr. Ham notified us that he could not be here, and Mr. Barr is sick at his home in Joliet. We are very sorry they could not be with us, and we hope that at the next meeting they possibly can be present.

As Mr. Napier knows our two distinguished visitors very well, I am going to call upon him to act as Toastmaster during the evening session. Mr. Napier. (Applause.)

TOASTMASTER NAPIER: Gentlemen, I should have said "Ladies and Gentlemen." When I was a young man I always remembered to say, "Ladies and Gentlemen," but, somehow, as I get a little bit older from day to day I kind of think there is just one of us. Maybe that is a good way to look at it; I don't know.

There is a subject that is always in our minds when we gather at one of our quarterly meetings. It is a subject that we never tire of. It is a subject concerning which we are always anxious to have somebody talk, and that is the Illinois Small Loan Act. We have two distinguished gentlemen with us this evening, both of whom will address us, perhaps if not directly upon this subject—both of them will make some reference to it.

I doubt if either of them appreciate the importance of the Small Loan Act. We fellows who have grown gray in the loan business in Chicago will never forget our experiences prior to July 1, 1917. We will never be able to forget the attitude of the public. We will never be able to forget the humiliation, and even the shame that we felt because the public did not understand us. I do not mean by that, that all loan men were saints. I can tell you from my personal experience of a whole lot of loan men that were just the opposite of saints. I think I can tell you of some loan men that I would be willing to characterize as devils. But I want to tell you that in the ranks of that business there is many and many a man that I was always proud to claim as a friend. And it is that class of men, the latter class, that I refer to, that have survived and are living under this law to-day, and conducting an honest business in a decent way, and are enjoying the respect and confidence of the community in which they live.

These two gentlemen who are here, both of them took an active part in the passage of that Act that has meant so much to the loan man, and to everybody else that sympathized with and understood the handicaps and disadvantages under which the loan men labored.

The first of the speakers that I will introduce to you to-night is Senator Austin. He was a Senator on July 1, 1917; he was a senator at the 1916-17 session, and he was the senator who introduced the Small Loan Bill in the Senate of the Legislature of the State of Illinois. Ladies and gentlemen, Senator Austin. (Applause, the audience rising.)

ADDRESS BY SENATOR AUSTIN.

SENATOR AUSTIN: *Mr. Toastmaster, Ladies and Gentlemen:* I have been having a mighty good time here to-night. If I had not been I do not think I would tell you. But inasmuch as I have been, I am perfectly willing to tell you. I had a very good time, and there is something about a banquet that always makes me feel at home, even though I do not know the men well, and even though the speakers may be poor, nevertheless I always enjoy a banquet. I say by the way so that you will have some excuse for saying you enjoyed my speech, even if it is poor. (Laughter.)

Now, I really do not know what license I have to address you to-night, because really I do not dare talk about the Small Loan Act, because that is like bringing coals to Newcastle. You know a whole lot more about it than I do. You have been operating under it for four years, and I merely introduced it in the Senate and worked on Mr. Hicks' bill that came over from the House, and I merely was theorizing when I talked about it. But you can talk from experience, so there is no use in bringing coals to Newcastle. I asked Mr. Napier what he wanted me to talk about. I said that I didn't know what I could talk about. In fact, I tried to get out of it. I was supposed to come to one of these meetings a long time ago, and I told Mr. Harbison I could not do it. But finally Mr. Napier came around to my office, and I said I would come, but I didn't know what to talk about. I said, "Go to some of the other senators that you have got in the Senate—the two Chautauqua orators that we had at the last session—one of them is there still. Get those fellows. Their business is talking at Chautauquas. That is their whole business." (Laughter.)

One of them talks so loud that when he talks you can hear him all over town. And honestly, when you are on the other side of the question from him, it is really hard to have to listen to it, because he talks so loud. And I sit fairly near him.

Anyway, I thought it would be a good idea to get that man. But Mr. Napier said, "No, they want to see you, and they want to hear from you. They have a curiosity to see you."

You know, my friends, curiosity is all right at times. But I have known curiosity to be very, very bad for a man, as I will tell you of a certain man that I once heard of, who had great curiosity. He was an old fellow down South, a very old man—that is, he was about seventy. And he was a sick man. And there was a consultation of doctors to be held at his house. He called his old darkey in, and he said, "Now, Sambo, I want to find out what the doctors say about me. They won't tell me the truth. I know that. So I want you to go in that room where the doctors are going to have that consultation, and get under the bed and listen to what they say, and then come and tell me just what they say."

"All right, boss," said Sambo, "I'se done goin' to try it."

In due time Sambo came back to his master, and his master said, "Well, Sambo, what did they say about me?"

"Well," says Sambo, "I dunno, I—I—I coulden' unde'stand them, boss, they done use them there medical terms, and I coulden' unde'stan nuthin' they done said."

"Well, I know, Sambo, but you must have heard some word, you must have got some impression as to what they were talking about. Wasn't there anything that impressed itself on your mind?"

"Yes, boss, there is one big medical term they kept usin' all the time, but I dunno what it means, suh. I remember that one word."

"What was it, Sambo?"

"It was 'autopsy,' boss, 'autopsy.'" (Laughter and applause.)

So the old fellows curiosity was satisfied.

Now my friends, I told Mr. Napier, "I haven't time to prepare any address on any special subject. I am no particular speaker, anyway, but I have a little talk that I gave to some other fellows—I gave it to a Sunday school class. I hope you fellows are all of that character. (Laughter and applause.) And then also I gave it to some public school teachers. It is a talk that has nothing whatever to do with the legislature, but it just occurred to me that inasmuch as it is a talk about Interest it might interest you. (Laughter.)

You are used to getting 3½ per cent per month. Well, now, that sounds pretty big, of course, if we figure how many per cent that is per year. But this is a case where I want to convince you that even the despised five per cent per annum is worth a whole lot to any economical man. And the little talk that I gave was entitled, "How to make your own pension." It was intended for young people, not middle-aged people; but at the same time the middle-aged persons can think it over. And I am going to tell it to you just as I told it to them.

In the first place we know and history tells that some religions have gone on the principle of giving one-tenth of all they possess to the church—one-tenth of all their annual income. I think the old Puritans in New England did that—I think they did. I won't be too sure, but I know that the Mormon church does it to the present day. They do not all do it, but quite a large percentage of the Mormons do give ten per cent to the church.

Now, all I am saying about that is this, that if a man can give ten per cent to the church, a man can surely give ten per cent to himself. If he is an economical man he can save ten per cent of his income. If he can save better than that and do the same thing, it is all the better. But what I want to show is that a man working from forty to sixty at an ordinary wage can save enough money so that when he is sixty years old he has his own pension for himself all laid up on a five per cent basis.

Of course, I grant that there are times when a man will have sickness and unforeseen events in the family, and his income that year will be cut down, but there are other times when he gets something on the side that he did not get before. In other words, the law of averages will bring that out.

Now, the way I happened to think of this subject in the first place is that I am a banker, and they asked me to make a talk on savings. So I thought the thing over, and I figured it this way, that I would start with the sum of $100. A young man at twenty years of age generally has a hundred dollars that he has saved up from some source or other, if he is the right kind of a fellow. And he will put that one hundred dollars in the bank, giving him a bank account. I do not mean in the Continental and Commercial, or in the First National Bank, but an ordinary bank, a relatively small bank which would be only too glad to get that kind of an account of $100 from a young man. I speak from experience, because I have been twenty-nine years president of one bank. We started with fifty thousand capital, and now our capital and surplus is about four hundred. That doesn't make any difference. We are just as glad to have hundred dollar accounts to-day as when we were small. Of course, we charge him something for that. But that hundred dollars is going to grow, and if that man is the right kind of a man he is going to keep adding to his account, and he will come to the bank for his favors in a financial way. We like to have that kind of accounts, and we take an interest in them. It is a good advertisement.

Accordingly, this man puts his hundred dollars in the bank. He gets no interest on that. It is just lying there in the bank all the time. So he starts with that. Now, let us suppose that this man starts out at twenty with a thousand dollars a year. By the way, let me say that this was figured out about ten years ago on a five per cent basis. I figured out what a man would accomplish from twenty to forty years laying up his money. To-day you can do a little more. You can get six per cent to-day as easily as you used to get five per cent, on safe investments. Of course, it may be less for the next ten years or so, depending upon the income tax, largely.

So, going back, we will say that a man gets a thousand dollars a year for the first year when he is twenty years old; then eleven hundred, and twelve hundren, and when he is twenty-five he is getting $1,500 a year, and after that all through his working years he averages $1,500. Of course, that is rather a small salary. I know that, but it is just exactly as good for the argument as if it were ten times that. You take a man who gets $15,000, and he can save ten per cent a whole lot easier than a man can save ten per cent on $1,500. A man saves $100 the first year, and $100 the second and third and fourth, and when the five years have gone by or the six, he has saved $600, so when he is 25 he has got $600 saved. The interest on that $600 for the first years' compounded at five per cent is $57, so he has $657 when he is 25.

Money at five per cent doubles in fifteen years compounded, so that the $657 that he has when he is 25, amounts to $1,314—I am not going to give the cents exactly. I will just hit the high spots. He has about $1,314. That particular sum of money is worth $1,314 when he is forty. It doubles again at 55, when it is worth $2,630. In other words, the money he earns between 20 and 25 is worth $2,630 when he is 55 years old. Let us leave that there and go back. Now, from 25 to 40 he is earning $1,500, and a rough computation shows that he makes a profit in interest compounded on that for that length of time, $1,125. Adding $1,125 to $2,250 makes $3,375, which is what it represents at the time he is forty.

Now, $3,375 at forty doubles at 55, which makes $6,750 when he is 55. Leave that aside for a minute.

Now, we come back to forty, and the earnings between 40 and 55 are the same as between 25 and 40, in other words we get $3,375. You add that to $6,750 and the $2,630, and we have got a total of $16,300—no, take it all back, $12,750 at 55 years of age. He has got that much saved. He goes on for the next five years, the income on that for that time, five times five is twenty-five—we add a quarter to that, and we add a little more for the extra compound interest, and we get about $16,300. Then for the next five years he is also laying aside $150 a year, and on that he makes about $95; so that his total when he is 60 is $17,123. Those are the absolute figures that I have got in my pocket.

Now, what does that mean? Five per cent on $17,100 is $856 a year. Now, that is his pension. A man when he gets his pension does not get his full salary. Of course not. Nobody expects a pension to give more than approximately half the salary. During all this period of years that he has been getting $1,500 a year, when he is 60 years old he has $17,000, which invested at five per cent brings $850 a year, so that at that time that is more than $100 over than half the amount he used to get; half the amount would be $750, and he is getting $850.

Now, there is one other thing. During all these years he has not had the full amount of his salary to spend. He has really had only $1,350 per year. Now, he gets $850, and as compared with $1,350 $850 is a mighty good pension, and he has made it himself. If he happens to be in a big business like a big bank or a big railroad, or the Government, or something of that kind where they give pensions, and he gets a pension from that source when he is sixty, why, he has all the more, and he may get between the pension he has made himself and this other one, enough to make just as much salary as he ever got. That is the problem. It is simply a question in mathematics that I figured out.

Of course, there are various questions that come in here. You may say that he ought to have insurance—life insurance. That is perfectly true. He ought to have life insurance. Now, I figured this out. This is a rough calculation, and I think it is pretty nearly correct, that if he insures himself at 25 for $5,000 and takes what you call time insurance—insurance that he is going to drop when he is forty—you know that is an awfully cheap kind of insurance,—this time insurance—dropping it at forty—if he was going to keep it on to the end of his life it would cost a lot more—it will cost him about $35 a year, and when he is forty he will drop it because he has got $4,700 laid up on his scheme. That is pretty nearly five thousand. So that if he drops his insurance, he has still got five thousand for his family. That is one angle.

Now, then, a lot of other questions come in here. Suppose when he gets to be sixty, he decides that he wants a little more money than $850 a year. Suppose he uses up $1,350 out of his principal, that will carry him until he is eighty years old. Or he could do this, if the husband was sixty years old, or his wife was 55, the two of them could buy an annuity that would give him almost $1,100 a year, either one of them or both of them; in other words, a man 60 and a woman 55, can buy an annuity for $17,000 that will give them $1,100. Two of them would get that, or if either one died the other would get it for the rest of their lifetime. Or if a man was alone, had no one dependent upon him at all, he could buy an annuity for $1,600. Of course, an annuity means that when they die the money is absolutely wiped out and nothing left. If he could get along on his $850 a year he would leave the whole of his principal to his children, if he wanted to.

Now, I suppose there are other questions that I might be asked. I don't know. I haven't answered all of the things that might be put up on this proposition. Of course, there are more points to it. You may say this, that a man is not very ambitious that will do that, that a smart man would not do that, that it is kind of a plodding proposition to put up that much money every time, and that a smart man would not do it. But let me tell you one thing, my friends, it is not always the smart man that gets there; in his own particular business, the smart man is all right, but when he is outside of his own particular line often he is not always as smart as he thinks he is.

I am reminded of a rather amusing story of a fellow who had gone west to Colorado and then decided to move back to Massachusetts again. He was shipping all of his household goods and live stock and everything else back to Massachusetts in a freight car. And by the way, out in Colorado they call donkeys Rocky Mountain canaries. Of course, you have heard the name, but the fellow in Massachusetts hadn't heard it. The shipment came in in due time in Massachusetts, and the expressman went around to get the goods, and he said to the station agent, "Well, do the goods tally up with your record there?" And the station agent said, "Well, there is one mistake, there seems to be one bureau short and one jackass over." (Laughter.)

Now, that fellow was a good station agent, but he knew nothing about Colorado, absolutely nothing.

Now, take a man in any line of business, take a man who is, say, a letter carrier, just for example. I don't know much about what the Government pays them—if that man goes to a good bank and puts himself in the hands, not of the banker, but of the bank and gets acquainted with two or three men in that bank, here is the way he does. He saves up a hundred dollars and goes and buys a hundred dollar bond, and then saves another hundred and buys another bond, and when he has got five or six or seven bonds, he goes to the bank and asks if they have got a thousand dollar mortgage, and he turns in the bonds on account, and owes the bank the balance, and gradually pays that off. The bank is glad to help him out in that way, so that he gets to pay it off. Then he buys another mortgage, and he continues that way. And there is no reason in the world why he should not continue that way. But a man who tries to make his own investments, there are lots of things waiting for that man. There is oil stock waiting for him. There is mining stock waiting for him, and plantations waiting for him, and I don't know what other things—all sorts of trouble waiting for that man. He may think he is smarter than the rest, but let me tell you, when he is outside of his own particular line, it would be better for him to stick to the bank that he has confidence in, and make his investments there. Lots of mighty smart professional men and ministers and so on—they are the biggest bait there is for all sorts of fancy schemes. They are smart enough in their particular line, but it is outside of their line.

Now, my friends, I think I have said everything about this particular subject, and if there is anybody wants to ask me any question on this subject, if I have got any weak spots in the proposition—

A Voice: I want to commend it, Senator.

Senator Austin: Thank you. All right, if you are satisfied that that is a reasonable proposition, and I think it is, I cannot see why the average man cannot do it. It will not be the smartest man, but it will be the man who has got the strength of character to just lay aside and put it in the bank, and lay aside and put it in the bank, the man who realizes that his duty is to himself.

Now, gentlemen, Mr. Napier said that each of us was going to talk a little about the bill, or about the law. Now, I am not going to talk about the law. Senator Hicks told me he did not know what to talk about, and I said, "Senator, I will tell you what, I have got something that I will talk about that is entirely separate from the subject of our bill, and I will let you talk about the bill, or anything else in connection with the legislature."

All I am going to say about the bill is this, that there is one bill in to make the rate two per cent. And by the way, when that bill was brought in, I wrote the two judges who were interested in our law four years ago. I wrote them asking their advice as to whether or not the law should be changed from 3½ per cent—I did not say to 2, but whether or not it should be modified in any way, whether the rate should be taken down a little. I wrote Judge Landis and Judge Trude. I haven't got an answer from Judge Landis. Judge Trude took some time, and finally answered me that he thought the rate might be put at three per cent. He didn't think it ought to be any less than that. Four years ago rates had not been changed for many years before that. Now rates have increased. Where a man used to get five per cent, now he can get six; and my argument would be all the stronger, for instead of having seventeen thousand when he was sixty, if he could get six per cent over that period I do not know but that the one per cent would add enormously to it. I do not say that it would add half to it, but it would add at least a third.

But the question is, should this rate be changed? It seems to me that this is the last time in the world that they should try to reduce the interest rate in this particular law. (Applause.) I grant that when the law was passed, it was said that we should start it that way and maybe make it less later on. I know in the Pawners Bank here in the city, authorized by the state, where they make loans, I think they started on a higher basis than they are getting now. But I honestly believe that we should maintain that rate at 3½ per cent just as it is. I shall do my best, at least, to maintain it at that rate.

I thank you very much for your attention, and I hope I have not been too long. (Applause, the audience rising.)

Toastmaster Napier: There is another thought that we should always remember, gentlemen, when speakers come here to address us who are men that are not in any way connected with our business. The chances are they don't know very many of us. They are all busy men. They all have their personal problems to solve, and they are really making a sacrifice to come here. I know we all appreciate it. But we ought to express that appreciation in some way. I don't know what to suggest, except that if you will permit me to say this to Senator Austin, that this Association is profoundly grateful to him for his attendance here to-night. (Applause.)

Now, when the Illinois Small Loan Act first saw the light of day in Springfield, it was not called the Small Loan Act. (Laughter.) They had two names for it. One is the name that is taboo. We do not use that expression any longer. And the other name for it was the Hicks Bill. The man whose name was given to that bill is with us to-night, and I am going to introduce him to you in a minute. But in view of what Senator Austin has said about the rate, I am going to take the liberty of making some slight comment or reply, as you may deem it, and say to him that our view of the rate is this, that we are conscious of the fact that the rate of interest on money is a public question. It is a subject on which the law-making powers of the state have the right to be informed, and have the right to act. There is no use saying they have not a moral right, because they are going to act with respect to it, anyway, and I guess they have a moral right. And if it ever should develop that 3½ per cent was making the Illinois Association of Licensed Lenders and their attorney rich (laughter), it would not be out of place for somebody to inquire if they were not getting too much money.

But we have not reached that plane. I do not know what you would call a condition like that. I have never experienced the sensation myself, of making money. I don't know exactly how it feels. We have not reached that point. And I say to these gentlemen that are here to-night, and I say it to you, that that question is often asked of me, what is the result of the rate? And I have invariably replied on each occasion, and I absolutely believe it is true, that when that rate went into effect we moved into a period that was unusually favorable to the money-lending business. We went into a period of extravagance. Every body was making money, and everybody was spending money. And the result of it was that everybody that could was borrowing money. So there really was not much reduction in the demand for money, on account of the prosperity.

There should have been a reduction. Your business should have been poor. You probably would have been better off if business had been poor for a year or two. But it was not. But on the other hand the conditions were such that every borrower could pay, every one of them, and the result of it was that you did not have any losses to amount to anything, but you were not giving the law a fair test. Now, we are moving into something else. We are moving into a time where there is no cessation in the demand for money, but we are moving into a period when the ability to pay is being seriously depressed. I know it up in my office. I had to stir around and find something else to do besides suing people. I had to make my living some other way. There was nobody to be sued. There wasn't any trouble about collections. But they are beginning to come back. As my boy who has grown up there with the other day said to-day, "It looks like we are going to have some business." (Laughter.) And I guess we will.

Now, that is important, too; because it is going to cost you men some money. It is going to cut that three and a half down. So I say that before anybody can say with any degree of certainty that 3½ per cent is the appropriate rate, we have got to pass through a cycle of years. It will take ten years to try it out. And I say after ten years time has passed by, the money lender who has conducted his business honestly and decently and tried to be a good citizen, if he cannot make as much money as he could if he were in some other line of business, that he ought to have a better rate. On the other hand, if at the end of the ten-year period he is making more than the average man that exercises the same degree of diligence in the conduct of his business, investing the same amount of money, maybe it ought to be cut.

Now, I am talking about ten years ahead. Maybe I won't be here then. But I think these gentlemen here to-night will agree that this law should have a fair trial, because if we forget about the money lenders and think only of the borrowing public and their interests, what we want is the appropriate rate, a rate that will permit the business to be conducted along decent lines, permit the business to be reasonably profitable, or else the condition will arrive, as I have said so many times myself that it is hardly necessary to repeat it, it will just be creating a monopoly for the crooks and drive the honest men out of business.

I beg your pardon, Senator Hicks. I have been told a number of times that I talk too much.

SENATOR HICKS: Go to it.

TOASTMASTER NAPIER: I want to introduce to you Senator Hicks. The Hicks Bill was named after him. Senator Hicks. (Applause, the audience rising.)

ADDRESS BY SENATOR HICKS.

SENATOR HICKS: *Ladies and Gentlemen.* It seems that some men achieve fame by having cigars named after them. Others achieve fame by having blooded bulls named after them. And still others come to fame by having pieces of legislation named after them. Now, I think this bill has been referred to somewhat as the Hicks Bill. It should not be known any more as the Hicks Bill than as the Austin Bill, because Senator Austin had fully as much to do with its passage as had I.

I am an exceedingly nervous man, and every time I get up to speak my knees begin to tremble, and I have a sort of an attack of nervousness. I am something like old Judge Hoskins who lives down our way. He got into a nervous condition, and he went to see old Dr. Fitch, and he looked him over and he said, "Do you drink much coffee?" He said, "Yes, I drink about four saucers full." (Laughter.) "Well," he said, "why don't you drink it out of the cup?" "Well, he said, "I would, but I keep getting the spoon in my eye."

Now, I do not like to start out with an apology, but I think I owe it to myself to say that besides the nervousness which I felt coming on, I have been very busy.

I have often wondered what the average citizen of the great State of Illinois thinks when he sits in the gallery at Springfield, and watches the members of the House or Senate perform. (Laughter.) Some of you have been there, I presume. Well, we have a great variety of problems to engage our attention. And as some of you know, we have a considerable amount of work to do. The present General Assembly is not concerned about loan sharks particularly. That day has gone by. But a session or two ago, in fact, in the 49th, there was some agitation with regard to loan sharks. And I started it. And I will tell you briefly of the way I happened to get interested in the subject. I practice law for a living, and I have an office in Rockford. And one day, I remember it was a cold, drizzly March morning, the rain was pattering against the window, and occasionally a little sleet mixed with it—it was about as disagreeable a day as we have in the whole year around. A woman opened the door, walked in—she was as white as a sheet. She wore a shabby straw hat and a very shabby and dilapidated cotton coat. In her arms she held a baby. She staggered as she walked across the room, and sank into a chair. I thought she was going to faint. But when she was recovered a little bit, she told me her story. And it was this, that she had fallen into the hands of a loan shark, or her husband had. They had moved to Rockford from Freeport, and had rented a home, and the husband had started to work. And the woman became ill, and had to go to the hospital for an operation, and the husband had to quit his job and stay at home to take care of the baby. While the wife was in the hospital because of all the hardships which had come upon this family, they were compelled to borrow some money, which they did, and they got into the hands of a very disreputable loan shark in the city of Rockford. I am glad to say that no member of this Association was that man. The first payment came due. The woman had been removed from the hospital, and was at home, lying in bed, taking care of the baby as best she could, and the husband had gone back to work. The agent for the loan company came to the house, knocked at the door, walked in, asked for the money. No payment, no money to pay with. He said that unless she got down there that afternoon with the money, that he would be out there with a van and move the furniture. And when he left the house, this woman, her soul stricken with terror, got up, dressed herself, and came down town and came into the office, to see if there was any way that I could save their furniture for them. Well, there was. I got the chief of police on the wire, and I told him the story, and he went over with a pair of curling irons, and he curled that fellow's hair. (Laughter.) That furniture was not moved out, of course.

I got interested in the subject through that little incident, and I went down to the city library, and I thought I would find out what way there was to stop these fellows. And I right away got in touch with Mr. Ham, and the result was that I went down to Springfield at the next session of the legislature and I introduced a bill which passed the House during the closing week of the session, got over in the Senate, and got lost and never became a law. It was very similar to the present law, but differed somewhat.

And the next session I had lost none of my ardor, and I went back and I reintroduced the bill, which later I changed for the bill which the committee here in Chicago had worked out, which was quite similar to my own, and with Senator Austin introduced it in the Senate and together we pushed it over, and thank God it is on the books of the State of Illinois to-day. And I think it is doing a great work for the poorer classes of people in this state. (Applause.) I am very proud to have had some small part in that piece of legislation. (Applause.)

Since that time there has been very little said about this particular kind of legislation. We have been working on other things. Illinois is a great state. It is first in agriculture, second in manufacturing, and third in population of all the states in the Union. And it has many problems that have to be worked out by the men who go down to Springfield to represent the different districts of this state.

I am only going to call your attention very briefly to a few of the things that we are worrying over in the legislature right now. The last thing that has been up for discussion down there is the proposition of abolishing the Board of Trade, or putting it under such restrictions that they cannot possibly operate. The farmers somehow have got the idea that because the price of corn has dropped from $1.75 down to around 50 cents, that the legislature can in some way legislate more value into their corn cribs, and they think that the way that can be done is by abolishing the Board of Trade. They may get by with it, but it seems to me they are reasoning backwards. But that is one of the things that is agitating the legislature.

Another thing that is causing a considerable amount of discussion down there, and will cause more in the next week or two, is the question of taxation. We, as I say, are first in agriculture, second in manufacturing, and third in population, and forty-eighth in a system of revenue. We have probably got the rottenest system of taxation in the State of

Illinois of any state in the Union. And I measure my words when I say that.

The total amount of personal property assessed for taxation in the State of Illinois is less—or was a year ago, than the total amount on deposit in the Chicago banks alone. (Laughter.) It is the one case that I know of where the part is larger than the whole. (Laughter.)

We have the question of a revision in some way of our revenue law. We cannot do all the things to it that we would like to do, because of our Constitution, which stands in the way. But anyone who has studied this question at all, must know that it can be remedied and patched up in a dozen different directions and improved and made very much more workable and a much better revenue-producing piece of legislation than it now is.

The question of the assessment of property in the city of Chicago, and in Cook County, and in some of the other counties in the state, is almost beyond belief. It may interest you to know that I come from Winnebago County, the ninth county in this state in population. And two years we had more mortgages on the tax books of the State of Illinois under assessment than Cook County, with nearly half the population of the state. (Laughter.)

We took the first great step in revenue reform in Illinois at the last session of the legislature under the leadership of Governor Lowden. We abolished the old antiquated State Board of Equalization and substituted in its place a Tax Commission. The State Board of Equalization, you may recall, was a board composed of 25 members, one elected from each congressional district of the state. They got together about ten or fifteen or twenty days in the fall or late summer of each year, and made an attempt, or were supposed to make an attempt, to equalize the assessments between the different counties of the State of Illinois. And the absurdity with which they worked, and the results which they achieved, to any fair minded man who had investigated it, was ridiculous. Why, even now, with our State Tax Commission, organized as it is, we are not getting the results which we could get if we changed the method of doing business. Just this last year I was looking over the assessment of banks in the State of Illinois, and I found that in my county with 90,000 people, the banks were assessed at $175,000, but in the other county in my district, the one just south of me, with about one-third the population, the banks were assessed at $750,000.

I found that in Adams County, down along the river where Quincy is, the banks of that county were assessed at a million dollars, while in Sangamon County, with its hundred and more thousand people, the banks were assessed for $27,000.

Gentlemen, collecting the taxes is just exactly like taking up a contribution in church on Sunday. They pass the hat, and each puts in what he pleases. (Laughter.)

I became interested a little while ago in the question of the distribution of wealth. I read a book which made quite a profound impression on me. It was written by Professor King, of the University of Wisconsin, a very fine writer, and a very clear thinking economist. I decided to make a little investigation of the distribution of wealth in my own county.

We are a typical county of the Middle West. We have a thriving city of 64,000 people. We have a good agricultural, farming community. We have a considerable amount of manufacturing. We are a good, prosperous typical county of the Middle West.

So one day I went to the Probate records and I started to run the records for the period of five years time, taking the years 1914, 1915, 1916, 1917 and 1918. And I took off every estate that had been filed for probate in our county court during those five years. I divided all those estates into three classes. First I took the estates under $10,000 and put them in class A. Then I took the estates of from $10,000 to $40,000 and put them in class B. And then I took the estates that ran over $40,000, and I put them in the third class.

Then I took off from the records the total number of adults that had died in Winnebago County during the five years. And the first surprising thing that I found was this, that 71 per cent of all those who had died—adults, not minors—71 per cent of all the adults who had died in Winnebago County during those five years, died leaving nothing, or not enough property to probate an estate. That was somewhat of a surprise to me. And then the next surprising thing that I discovered was that of the total amount or volume of property that passed through the Probate Court during those five years, that 63 and a fraction per cent was in the hands of 1.3 per cent of those dying.

Now, it seems to me that that shows a rather startling concentration of wealth in a community like Rockford, Illinois. And if it is true, if those figures are true in Rockford, they are more true in the city of Chicago. Well, what of it? Only this, that when we are looking for revenue to run our state and local governments, it seems to me that we have got to look, in the future, to the place where the revenue is. (Applause.)

And that leads me to this, that we have got to develop new sources of revenue or make present sources of revenue more fruitful in order to lighten the tax burden to the average man. And I have been gradually coming to the conclusion that one of the ways the State of Illinois will have to adopt in the future is to begin to reach into those large fortunes when they get up into the one, two, three, five, twenty or a hundred million dollar class, and take out a reasonable amount for the support of the community and the state. (Applause.) I am well aware that that is a proposition that must be handled with gloves, because an inheritance tax which is so drastic that it will remove from any one of us the incentive to accumulate would be a misfortune, because that incentive to accumulate which is behind each one of us is the thing that makes civilization go. (Applause.) But when a man's fortune reaches the mllion mark, and from then on up, with the sky the limit, it seems to me that the State of Illinois could well afford to reach into those large estates and take out a larger slice than it is now doing.

I have been interested this session, in fact, have done very little else than work on the subject of schools. One-half of all of the money that is paid in taxes in the State of Illinois goes to one cause, and one cause only, and that is the cause of education. For every dollar that every taxpayer in this room or in this state has put across the collector's desk, 50 cents has been taken out in one way or another and given to the cause of education. But notwithstanding that fact, according to the Russell Sage Foundation, we rank away down towards the bottom of all the states in this Union on a system of education.

Now, I had a very interesting experience—I hope I am not talking too long. (Cries of "Go ahead. Go ahead.")

I had a very interesting experience last fall. (My office is right over Mr. Baughman's.) And for some reason or another I happened to be looking at a couple of tax receipts on property that I own, and I noticed that on one piece of property I paid a 25 cent school tax, and on the other piece of property, directly across the road outside of the city of Rockford I paid $2.55. And I immediately said to myself, "That county clerk up there has 'gypped' me out of about $40. I am going up and 'call' him." (Laughter.) So I went up to the court house and I got the clerk, and I said, "Look at what you did to me." I said, "All you did to me was just to skin me out of about $40 by making a mistake on my tax rate here." "Oh, no," he said, "that is all right." I said, "No, it is not all right. I paid 25 cents here and $2.55 up here." "Sure," he says, "that is a different district." And then I discovered for the first time that we had in Winnebago County, and every county in the State of Illinois, a lot of little school districts, varying in size and shape and valuations, so that in Winnebago County we have rates running from 25 cents on the hundred dollars up to $2.66 on the hundred. And then I got a map, and I drew in all the school districts in Winnebago County, and I put in all of the tax rates and all the assessed valuations. And when I finished I threw up my hands and I said, "I have lived for forty some years, and I never knew this thing, and I bet there are some fellows down at Springfield who don't know it, either."

So I went down there this fall, and sure enough I found out that every man down there that I talked with who was a member of the legislature could have written a large-sized book about what he didn't know about the public school system. (Laughter.)

Well, a sub-committee was organized, and we have been doing a little work on that question. And we have found some very interesting and some very surprising situations. We have been into eight or ten counties in the State of Illinois. We have mapped them out, made maps so as to visualize these things so they could see them easily. I wish I had some of them here. I am quite sure that you would be interested in seeing them. You will find that all over the state the public school system in the country districts is like Topsy, it "just grew." A township six miles square, seventy-five or eighty years ago, with a few settlers coming in, and they settle up in one corner of the township, and they laid out an irregular district. And then in this other corner of the township some more settlers came in, and they laid out their district, and finally the whole township is laid out in districts that look

like the crazy patchwork quilts that your grandmothers used to make. Then a railroad will come across the township, and add to the tax of part of the districts, so in one district the tax is 32 cents and in the next adjoining district the tax rate is $1.96. That is true all over the State of Illinois.

So I am drafting a law to introduce next week—a bill, which will wipe out all of these one-room districts in each county, and consolidate, if you please, or join them all together into one large district with a county board of education to run the whole thing, instead of one hundred little boards running 100 little schools, and we will have, if this ever becomes a law, one board in each county that will handle all of the schools catering to the rural population of the county.

Now, I find that if we can do that we can spread a uniform tax all over the whole county for the support of those schools, and that we can run the schools very much more economically and save money. I have figured out the tax rates in three or four counties, and I believe that it will cut about 33 1-3 per cent off the tax rate of the average county by doing this very simple thing. It would be just as sensible, gentlemen, if in the city of Chicago, with its thirty-five wards, you should have a separate school board in each ward, and levy a tax in each ward to run the schools for that ward. If you did that, gentlemen, you would have just exactly the same system that we have out in the rural districts of the State of Illinois. And I do not suppose that there is a man or woman or child in the city of Chicago, or in any other city of the land that would think of such an absurd proposition.

I am talking about some things, I am quite sure, you are not very deeply interested in. (Cries of "Go ahead.") But there is another thing that is causing some discussion down at Springfield in connection with school legislation, and that is the state school fund.

It is the theory of the law that all of the property of the state shall be taxed to educate all of the children of the state. It is the theory of the law that the child that lives up on Sheridan Drive shall have the same opportunity for a good common school education as the child that lives down below Murphysboro in Egypt. But it is not the fact. But in order that that may be true, the State of Illinois taxes all of the property of the state, including the Loop District of the city of Chicago, sends that money to Springfield, and the state treasurer receives that money and then divides it up among the different counties of the state in proportion to the minor population of the county, on the theory that the rich counties shall give to the poor, and thereby equalize the educational advantages all over the state.

Now, how does that work out? The largest appropriation the legislature makes is the state school fund appropriation, which this last session amounted to $6,000,000 a year, and this year people are sending letters and sending down a lobby asking for a $20,000,000 appropriation; $20,000,000 a year, a larger single appropriation by far than the State of Illinois ever made in its whole history.

Well, I became interested in this state distributable fund, and I discovered some very interesting things, and I found that notwithstanding this is the largest appropriation which the State of Illinois makes, I did not find a single man at Springfield (and I have inquired among them quite a bit), who knew how the money percolated down from the state treasurer down through the county superintendent into the school district; how it was being distributed. I didn't know anything about it myself just a little while ago, but it was an interesting subject to study, and I started to find out something about it. And I learned some surprising things.

In my own county, for instance, $61,000 comes from the general property tax of the state from the state treasurer to the county superintendent of schools. It is divided among the counties in proportion to their minor population, according to the Federal census. Winnebago County got $61,000. It put in $100,000 and got $61,000 back, so it was $39,000 short. That money went largely into Southern Illinois, where it belongs, where the land is poor and the families are large. And it is a surprising fact, for it is true beyond any question of a doubt that the poorer the country the larger the families. It is an absolute fact, and it can be demonstrated beyond any question, that the poorer the country, the harder it is for them to scratch an existence out of the soil, the larger the families. (Laughter.)

When that money gets down to the county superintendent of schools, that $61,000 that we get back, the county superintendent of schools proceeded to divide it on the basis of minor population of the county, not on the Federal census basis, but the school population which the directors in the various districts throughout the county take and furnish through the township treasurer to the county superintendent. And I found this surprising thing, that here was a township with nine school districts in it, and one district would get $39 out of the fund, and the next district would get $86 out of the fund, and the next one would get $288, and the next one $6, and so on; and over here was a district where they forgot to take the census, and they didn't get anything. (Laughter.)

Why, it presents the most absurd situation you ever heard of. Here in Cook County there is a district up here near Barrington with 15 pupils, where they get $1,484. And I wrote to Mr. Tobin, county superintendent, and I said, "That cannot be true. Your girl has evidently made a mistake in the copying of the figures." He said, "It is absolutely true, because in that district there is an orphanage with about 700 children, and they are counted in." (Laughter.) So that that district this year got $1,484, or about $484 more than they needed to run the school. In other words, they could pay $1,000 to the teacher, and use the rest to buy peanuts or anything else for the children. (Laughter.) If they would make this appropriation $20,000,000, instead of six, it would amount to a little less than $5,000 to that one school district. Of course, that is absurd.

SENATOR AUSTIN: Do you happen to know what Cook County gives and gets?

SENATOR HICKS: I know Cook County gets back all they give except $170,000. The census takers up here in Cook County are very clever. (Laughter.)

I spoke to some gentlemen here this evening in regard to St. Clair County. That is in a class all by itself. If there is any one place where porch climbers can go for a demonstration it is to St. Clair County. (Laughter.) I just found out that the Federal census which has been taken gives East St. Louis 66,000 people. Then I turned to the school census from the state superintendent's office, and I found that out of those 66,000 people the school census takers down there claim that 55,000 of them are minors. (Laughter.) That leaves 11,000 adults in East St. Louis (Laughter), of which 18,700 voted on November 2d.

Now, that is laughable, gentlemen, but it is tragic at the same time, and it is the duty of the state legislature to stop it, absolutely to stop it. And the only way that we can stop it is to change the basis of our distribution of our state fund. Now, I am for appropriating money for a state fund. I do not object to appropriating six to eight million dollars although my county comes next to giving the largest amount in the State of Illinois into that fund. I do not object to doing it. But I do object to appropriating one single nickel of that fund on the present basis of distribution. So I am preparing to introduce a bill on Monday or Tuesday which will change the basis of distribution from the minor population of the district to the number of teachers which are employed, and make this distribution on the teacher basis, rather than on the pupil basis. Why? Because the teacher is the chief unit in running any school. (Applause.)

Now, I could talk about a lot of other things which are interesting, about the legislature, but I have already talked too long. I have enjoyed being here very very much. I am glad that the money lending business to the small borrower is in the hands of a group of business men whom I believe are trying to do the business on the square. I think you ought to have an interest rate that will let you make money. I think that interest rate ought to be sufficient to make an honest fair profit, and no more. I believe, as does Mr. Austin, that this is not the time to reduce the rate. I do not know when that time will come. But when it does come the rate should be reduced, and the small borrower should be protected. And if I am a member of the legislature that will always be the position which I shall take in this matter.

I think that maybe the State of Illinois ought to have a little more information than they are now getting in regard to the profits of the business. I don't know. I haven't paid much attention to it. It has seemed to me that it should be, if it is not already known to the Department of Trade and Commerce, the profits that are arising out of this business—it should be known to the Department of Trade and Commerce, because it is only by knowing what the business is producing in the way of profits that reasonable interest rates can be fixed.

A great many years ago, over two thousand—or nearly two thousand, there was a Carpenter who uttered a sentence which the trustees of Harvard University have decided is the greatest sentence that was ever uttered by mortal man. I wonder if you know what it is? I am just going to close by leaving that

thought in your minds. It is this, when Jesus said, "Ye shall know the truth and the truth shall make you free."

I thank you. (Applause, the audience rising.)

TOASTMASTER NAPIER: When I attempted to introduce these two speakers to you, ladies and gentlemen, in rather high sounding phrases, you will remember that I called them Senators. I called them gentlemen in my heart. Now I consider them simply men. They have talked here to-night a good deal about things that have no direct connection with this business, but they have talked about things that really affect us all. These men are thinkers. These men are earnest. And whenever the crisis comes, whenever the time arises when they must say yes or no on something that affects the interests of the citizens of this commonwealth, these men will answer the call of fearful duty, and not the clamor of rattling tongue.

In my personal behalf, Mr. Austin and Mr. Hicks, and in the name of the Illinois Association of Industrial Licensed Lenders, I thank you profoundly for what you have said here to-night.

(After some entertainment features, the meeting adjourned.)

INDIANA.

On April 29 Leavell & Bates, Tipton, Indiana, addressed R. C. Aufderheide, Indianapolis, as follows:

On April 13, 1921, our office was entered by robbers and after opening the safe they secured several thousand dollars worth of our notes, 5 gold-band men's rings, 1 lady's wrist watch, 1 Hampden, 21 jewel, 16 size, open face man's watch, works No. 3324884; also one $500 stock certificate on the Steel Products Co. of Tipton, Md., made to Thurman Hunter. In our notes were 8 or 10 sale notes given to John Zittinger and Claud Cappock; also one man's garnet ing.

We would appreciate it very much if you would get out a circular letter to each member of the American Association, telling them of our loss and instructing them that should anyone attempt to dispose of any of our paper to them, that they immediately have him arrested and telegraph us.

Yours very truly,
LEAVELL & BATES.
By C. A. BATES.

P. S.—Please mail us a copy of the letter you send out.

IOWA.

O. T. Clark, Secretary of the Iowa Association, sends the following interesting report:

"On April 25, 1921, at Hotel Savory III, Des Moines, the Iowa Lifters were out in force, to attend the Iowa State Association meeting, at which every member was present making it a 100 per cent meeting.

"The following were present at the meeting: A. L. Whitmore, Provident Loan Association, Sioux City, Iowa; W. L. Glessner, Cedar Rapids Loan Co., Cedar Rapids, Iowa; H. L. Leidig, Iowa Loan Co., Burlington, Iowa; B. Atchinson, Tri-City Loan Co., Davenport, Ia.; T. J. Harrison, State Loan Co., Waterloo, Iowa, Chairman; Wm. DeBeaulieu, Des Moines Loan Co,, City; Henry Hulling, State Loan Co., City; M. Aliber, M. Aliber & Co., City; Ellis Levitt, State Loan Co., City; H. Davidson, Globe Loan Co., City; D. L. Esmond, Loyal Loan Co., City; A. A. McBride, American Credit Co., City.

"The meeting was opened by our heavy-weight chairman, T. J. Harrison, of Waterloo, Ia., who after making a very good talk on the progress made by the National and State Associations in the uplifting of the small loan business, introduced the very much live wire Lifter of the National Association, Mr. H. G. DeWeese, Field Secretary, who, after a very interesting talk on the workings of the National Association and what could be done only by organization, signed up the only available two for the National Association.

"Mr. Dunshee who came in late and who was very active in the legislature in helping pass the uniform bill, was introduced and being attorney for one of the members here, gave us information on papers to be used after July 4, 1921, to conform with the new law.

"And last, but not least, Mr. Marsh, of the William I. Marsh Company, of Chicago, was introduced, and after showing the boys the merits of the Meilicke Calculator and the Marsh Printing Co., he presented each one of the boys with a Redipoint pencil to sign up their orders with.

"We will have another state meeting in August and at that time, with the good work that Mr. DeWeese will do on his trip to western Iowa, where he went from here, we hope to have every lender in the state a member of both the National and State Association."

To which Field Secretary De Weese adds his observations as follows:

"I hasten to report the splendid meeting held at the Savory hotel, Monday afternoon, April 25th. As you know the State of Iowa is first in many things. It remains, however, for the Iowa State Loan Association to hold a meeting, at which every member of the State Association was present. There may have been other State Association meetings held at which there was a 100 per cent attendance, but I wish to say that it has never been my privilege yet to attend such a meeting until I came to Des Moines. This certainly indicates that the Iowa Lenders are much enthused over the passage of the Uniform Law there. They seem to realize that the "Rainbow" is in the sky and that it is coming down in Iowa on July 4th, (Independence Day). The rainbow is always symbolical of the ending of the storm and the breaking through of the glorious sunshine. And the storm, dreadful as it always seems while the thunder and lightning threatens, itself does a world of good. It purifies the atmosphere, stimulates growth and makes all out-of-doors seem fresher and keener for it and so the storm of the unsettled loan business is over and now the "Rainbow" beckons us to come out and see how much cleaner the loan business is.

"I do not know of a more enthusiastic bunch of lenders than was found at Des Moines. Every one of them seems to understand that to preserve the loan business is as important as to establish it. Hence their deep interest in organized effort. They certainly understand that preservation and fidelity are coördinate with that establishment in the mighty plan of loan progress. I wish here to make the prediction that soon after July 4th, the State of Iowa will show a 100 per cent membership in both the State and American Association. Illinois, Pennsylvania, Indiana and Ohio take notice, lest Iowa is the first state in the Union showing 100 per cent. membership."

WEST VIRGINIA.

Our correspondent, Robert McKiernan, Secretary of the West Virginia Association, advises us in regard to legislation as follows:

"The Haymond Loan Bill No. 454, in which we were interested, passed the House on the last day of the session, but did not get to the Senate.

"It is now up to us to get busy and line up the boys for the Uniform Small Loan Bill, as I am convinced that several of the members who opposed it are now satisfied that some drastic measure will be put over which will put them out of business completely unless they throw their support in an effort to put over the 3½ per cent bill, legalizing the business in this state.

"Now that the session is over I have been making an effort to line up the delinquent members, also making an effort to bring them together the first week in June, as per your suggestion. You may expect to hear from me within the next week or ten days on the subject."

The Haymond Bill was a poor imitation of the Pennsylvania law as enacted in 1915, and as drawn would have led to considerable confusion in its administration. It is hoped that those interested in improving small loan conditions in West Virginia will copy the Pennsylvania law as amended in 1919, or a number of other state laws which are similar to the Uniform Draft advocated by the Division of Remedial Loans of the Russell Sage Foundation, New York.

NATIONAL CONVENTION.

The Illinois Association is making fine progress in the matter of handling the National Convention. Many of the committees which will have charge of the arrangements have begun to function.

The committee has decided on the Drake Hotel as the place for our headquarters.

The following program has been suggested for the entertainment of the convention visitors:

THURSDAY, SEPTEMBER 22D.

10:30 a. m. to 1:00 p. m. Trip through Fields in groups.
1:00 to 2:30. Entire party lunch at Fields (guests of Illinois Association).
2:30 to 5:30. Entire party in a body through Fields Museum (transportation both ways by chartered bus).
8:00 to 11:00. Moonlight lake trip and dance on chartered boat.

FRIDAY, SEPTEMBER 23D.

2:15 to 5:00. Majestic Theatre party (guests of Association).
6:30 to 11:30. Convention banquet and entertainment, Drake Hotel.

SATURDAY, SEPTEMBER 24TH.

2:00 to 5:30 p. m. Auto tour of Chicago; Chicago Association members to furnish their automobiles for trip.

INDUSTRIAL LENDERS NEWS

Official Organ American Industrial Licensed Lenders Association Which Is a Member of the Chamber of Commerce of the U. S. A.

Vol. V. No. 12. JUNE, 1921. Price, $1.00 a Year.

MEMBERSHIP CAMPAIGN.

Since our last publication, through the efforts of our field forces, the following have paid their dues and joined the National body:

Wm. F. Waggoner, Carrollton, Ill.
Harry Palmer, Chicago, Ill.
State Loan Co., Galesburg, Ill.
Harry R. Manning, Kane, Ill.
John H. Billings, Rockport, Ill.
Springfield Loan Co., Springfield, Ill.
Farm Land-Investment Co., Boonville, Ind.
Indiana Finance Co., Elkhart, Ind.
People's Finance Co., Ft. Wayne, Ind.
Security Finance Co., Fort Wayne, Ind.
Clinton Finance Co., Frankfort, Ind.
Jethro C. Meek, Greensburg, Ind.
L. W. Baugh Co., LaFayette, Ind.
Farmers Loan Co., LaFayette, Ind.
Central Loan Co., Peru, Ind.
W. D. Zimmerman & Son, Princeton, Ind.
Peoples Loan Co., Shelbyville, Ind.
Georgia, Kentucky, Massa-
Provident Loan Assn., Sioux City, Ia.
Community Finance Service, Camden, N. J.
Community Finance Service, Jersey City, N. J.
Community Finance Service, Newark, N. J.
Community Finance Service, Pittsburgh, Pa.

MARYLAND.

The following members of the Maryland and National organizations have recently been elected members of the Merchants' and Manufacturers' Association of Baltimore: Surety Guarantee Co., Reliance Guarantee Co., Commercial Guarantee Co., Peoples Loan Society, Household Loan Co., Chesapeake Loan Co., Community Finance Service, National Equitable Investment Co., Coöperative Loan & Investment Co.

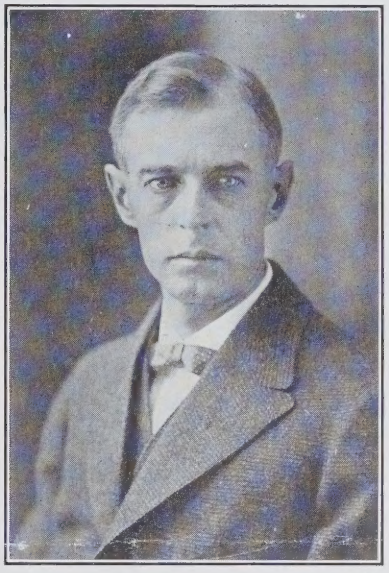
Progress is being made on plans for the meeting of the Maryland Association in Baltimore, June 14, at which time the Field Secretary, Mr. DeWeese, will address the meeting as will other invited guests. A new constitution and by-laws will probably be adopted at this meeting and new officers elected for the ensuing year.

MINNESOTA.

E. G. Steger, General Secretary of the United Charities of Saint Paul, sums up the result of the Minnesota campaign to enact the Uniform Law this year briefly as follows:

"In spite of the very able work of Mr. Louis Weeks and Mr. John Sanborne, who acted as agents for the Legal Aid Bureaus of St. Paul and Minneapolis in the campaign to enact the Uniform Small Loan Bill in Minnesota, the bill has failed of passage. We were up against a combination of the strongest men in the Senate, and it was not possible to make any impression by argument or reasoning. Means were resorted to by the opposition which simply could not be met because of the strength of the chairman of the Senate committee.

"It is the general feeling, however, among the friends of the bill, that the work done at this session of the legislature will go far towards insuring success at the next session. The matter will be kept on the program of the Minnesota Committee on Social Legislation, and agitated continuously for the next two years."



SENATOR H. S. HICKS,
Father of the Illinois Small Loan Law.

OHIO.

On May 7th, the Home Chattel Loan Co., of Zanesville, of which John W. Keller is the proprietor, was held up at 9 p. m. The bandit, Joe Carson, alias Fred King, came into the office with an automatic gun and simply told Mr. Keller and Mr. Best, who was with him at the time in the office, to hold up their hands while he separated them from about $980 in cash and about $1,000 in jewelry. He got away for the time being, but later was caught by the police with all the goods.

Mr. Keller is particularly interested to know if this man is wanted any place for murder because he is of the opinion that he is a bad actor and has a past criminal record. The bandit has said, "If I am sent to the penitentiary for this crime, I will be out in a little over a year."

As robbing loan offices seems to be the fashion nowadays, it seems to the writer that it would be well for our members to consider seriously hold up and burglary insurance.

ILLINOIS REFUSES SECOND.

During the month of April, Illinois put on another spurt and came back to first place in the amount of dues contributed to the National Association. Other states have also increased the amounts with which they were previously credited. It is hoped that all members will remit for dues which were payable February 1st, as it will soon be necessary to call on members for payment of the second instalment.

Illinois,	$1,938 00
Pennsylvania,	1,661 50
Ohio,	1,431 55
Indiana,	945 50
Maryland,	387 00
New Jersey,	319 50
Michigan,	316 70
Connecticut,	200 00
Virginia,	181 50
Iowa,	176 50
Rhode Island,	135 00
West Virginia,	125 00
Individual members: Colorado, Georgia, Kentucky, Massachusetts, Minnesota, Nebraska,	565 00

GEORGIA.

The following have qualified under the Small Loan Act of Georgia:

Citizens Loan Co., Atlanta, Ga.
Guaranty Loan Co., Savannah, Ga.
City Investment Co., Atlanta, Ga.
Atlanta Disc. Co., Atlanta, Ga.
Surety Loan Co., Atlanta, Ga.
Fulton Loan & Int. Co., Atlanta, Ga.
Wight Investment Co., Atlanta, Ga.
Southern Security Co., Atlanta, Ga.
Employees Sav. & Loan Assn., Atlanta, Ga.
T. C. Adams, Atlanta, Ga.
A. G. Smith, Atlanta, Ga.
C. W. Eddings Int. Co., Atlanta, Ga.

The constitutionality of the law is now being tested in the Supreme Court of Georgia and if a favorable decision is handed down we are informed that possibly 150 lenders will be subject to the provisions of this act.

We are pleased to note an effort is now being made to organize a Georgia Association. A preliminary organization meeting has already been held. Nine licensees were present.

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Correspondence and items intended for publication should be addressed to Geo. W. Kehr, 204 Chestnut St., Harrisburg, Pa.

NATIONAL OFFICERS, 1920-1921.

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Treasurer, J. H. Aufderheide, 860 Lemcke Annex, Indianapolis, Ind.
Secretary, G. W. Kehr, 204 Chestnut St., Harrisburg, Pa.
Field Secretary, H. G. DeWeese, 1948 N. High St., Columbus, O.

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Ill.—Albert Snite, 58 W. Washington St., Chicago.
Ind.—Robert Spencer, Jr., Grant Saving & Trust Co., Marion.
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Md.—H. T. Mattingly, 102½ Park Ave., Baltimore.
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N. J.—J. W. Whitstone, Frost Bldg., Plainfield.
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Pa.—E. P. East, 175 Fifth Ave., New York.
R. I.—W. G. Wood, 268 Westminster St., Providence.
Va.—W. F. Bradshaw, 105 W. Main St., Norfolk.
W. Va.—Wirt V. Hawkins, 301 Wheeling Bank & Trust Bldg., Wheeling.
Unorganized States.—R. M. Rutherford, 203 Coleman Bldg., Louisville, Ky.

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Membership, L. T. Baker, 109 N. Dearborn St., Chicago, Ill.
Publicity, W. G. Wood, 268 Westminster St., Providence. R. I.

The National Council is composed of the National Officers, Vice-Chairmen, and Committee Chairmen.

COMMUNICATIONS.

PEORIA, Ill., April 26, 1921.

DEAR MR. KEHR:

Your letter of March 10th was read by me with great very interest, and I delayed my reply for two reasons; first, that I was trying to locate a letter which had been written me by the prize judge on letters written to the *American Magazine* on the subject, "The Honesty of Women as Compared with that of Men." Much to my disappointment I have been unable to locate this letter, which was in answer to the one I submitted in the prize contest.

The other reason was; I was anxious to ascertain from the business men with whom I came in contact, how many had read the article in the *American Magazine* on the Morris Bank Plan, and I find that it was quite generally read. And out of five men who were seated at the same table as myself, at our Credit Grantors' meeting last Wednesday night, four of them had read the article and were very warm in their approval of it. One fact which stands out in about twenty conversations, which I have held with parties who have read the article, other than loanmen, is that the interest charge has not been observed, and only the apparent good to the individual has caught the mind of the average reader.

This fact, I think, is one that is important from the standpoint which I think we sometimes feel that the average person would think our rate too high, as Mr. Baker suggested in his letter to me in regard to an article in a popular magazine. To me it would appear that the interest charge no longer assumes the place in the public mind, as in former years. But that the good, the aid, the opportunity, the possibility of the individual in coming to the licensed lender, when he can go nowhere else to obtain relief, is what makes it intensely human to the average reader. And the better informed the reader is the more he looks at that point, is the sense which I have gained from my inquiries. I still hold that it is entirely possible to reach the *American Magazine,* as well as other publications, with the Licensed Lenders' article. I also believe that the average loan manager can do much more than he is already doing from a publicity standpoint.

A few evenings ago, while enjoying dinner at the home of a friend who is a physician, I met a Lutheran minister, who has a mission charge in this city. Upon learning of the business in which I was engaged, he and his wife (his wife is the daughter of an undertaker), both spoke in a very light way of the loan business, to which I made no reply. After the dinner hour, I took occasion to ascertain just what knowledge he had of the loan business and how he had gained it. And I found that he knew very little about it, so I proceeded to explain, and recite cases and finally convinced him of the fairness of our business, to such an extent that he expressed himself as agreeably surprised, and regretted that he had not informed himself regarding the business so that he would be able to pass intelligently upon it, should it ever come to his attention. He stated, that inasmuch as he was uninformed, he assumed that his congregation were no better off than he, and he has invited me to meet with the men's brotherhood of his church and explain to them in detail of our business, which I shall do at some future date.

This I think is one good form of publicity and is an opportunity which comes to practically every loan manager. I am sending to you a copy of a letter that I am writing to the secretary of the Retail Credit Men's National Association. The postscript on your letter relative to my not being a member of the National Association, was noted. I am only a hired man in this office and of course it is wholly up to the employer, as to that membership, and as yet I have not taken it up with him.

Wishing to be of some service to the Association, my meager services are at your disposal in any way that you think I may aid.

Thanking you for your kind letter and wishing to hear from you again, I am,

Yours very truly,

ARTHUR E. PARIS.

P. S.—My ministerial friend was in my office to-day to see about a $50 loan.

A. E. P.

PEORIA, Ill., April 26, 1921.

MR. DAVID J. WOODLOCK,
Gen. Sec. Retail Credit Men's Nat. Assn., St. Louis, Mo.

DEAR SIR:

Your Field Secretary, Mr. Joseph E. Nutter, called on this office in the interest of the *Credit World.* I had already perused several copies and thought I appreciated its value, so did not hesitate to subscribe.

At our recent State's Association of the Licensed Lenders' convention, held in Chicago, our Mr. Geo. W. Kehr, of Harrisburg, Pa., who is the National Secretary of the American Industrial L. L. Association, spoke very highly of the *Credit World,* and recommended that it be taken by each loan manager. During my conversation with Mr. Nutter I was led to realize that in many ways the work being done by your organization is very similar to that being done by the Licensed Lenders.

We have in this city a very live Credit Grantors' Association, which is supplemental to the Merchants' Association. And I find in the workings of the Credit Grantors' that the loan men get more detailed information from their clients than most any other line of business, and that we are able to render more information to the other members of the Association. I also have observed that large numbers of my clients are dealing with department stores and Victrola and piano shops.

The thought occurred to me in this connection, that it would be a fine thing and of mutual benefit, if the two associations learned more of each other. If it were possible for your field secretary to obtain a list of managers who belong to the State and National Associations of Licensed Lenders and they could be added to your list of subscribers to the *Credit World,* your association would have gained an intelligent, live, keen bunch of business men, who are more closely in touch with creditors and credits than the average retailer.

We as loan men have some real human contacts, and our experiences are very interesting, and in many cases will perhaps be of interest to many members of your association, should they appear in your publication, as we are all dealing with humans and the human element is always present, the more we study it the more efficient we become.

So, I think, an exchange of confidences and experiences is many times very beneficial. There are many practical questions always up for discussion, and I see many things in the *Credit World* which are very fitting to our particular business.

Personally I shall boost the *Credit World* at every opportunity, for I think I can see in the future many big things to be done in credit work, as there are many things which could be worked out, which will bring the art, if you please, to a much finer development.

May I suggest that you correspond with our Mr. Kehr, if you have not already done so.

Inviting your representative to make this office his headquarters at any time he is in our city, and assuring you of my humble efforts at any time I can be of service, I am,

Yours very truly,

ARTHUR E. PARIS.

INDIANA.

In regard to the meeting of the Indiana Association, held in Indianapolis, May 18, the retiring secretary, R. A. C. Aufderheide, writes:

"We had lunch in the Claypool Hotel

and Mr. DeWeese attended. We had a very interesting meeting and the following officers were elected: Mr. Robert Spencer, Jr., Chairman; Mr. Roy Hartz, Secretary, and W. R. Hancock, Treasurer. Delegates to the National Convention elected are: Mr. F. L. Thompson and Mr. John McGregor."

The interesting papers read at this meeting by Messrs. Benj. Blumberg and George W. Farrington, follow:

Paper read before the Indiana Licensed Lenders Association, Wednesday, May 18, 1921, at Indianapolis, Ind., by Benj. Blumberg.

Introduction.

"I like to be in the loan business," said a man who had worked for a company for several months, then quit and returned to it. "I like to be in the loan business because of the romance and the spirit of humanity—because a loan man hears so much of the inner life of his customers. One must get so intimate with his people that he is constantly living in many varicolored novels. In mercantile business the customer chooses the goods he wants and walks out. In our business our customers consult us about the things that weigh heaviest on their minds."

"They come to us for all sorts of information and advice. They tell us of domestic quarrels, of sickness, of ambitions, of hopes and plans for the future. We are called upon to advise about the purchase of a home; sending the children to college; the best place to buy a new hat. It is often our business to settle misunderstandings between husband and wife, father and son, partner and partner."

Hence it is that the heart throb in the industrial licensed money lending business fascinates alike manager, appraiser, cashier and stenographer, and it is a common experience for men to give up lucrative positions in other lines to return to the loan office. The ever-present element of human sympathy which is woven into the daily transactions of a loan office bind the men and women now in it, and make them proud and happy to be known wherever they go as "the loan man." There is a promise in the term which makes the friendship of "the loan man" valuable; there is a power behind the words "the loan man" that makes the crook or potential skip hesitate. There is respect for authority engendered when "the loan man" calls.

It is because the loan men deal so intimately with so many different kinds of people that they have developed a keen and sympathetic understanding; an adaptability to changing circumstances and an ability to logically foresee conditions a little bit ahead of the average business man.

Feeling, comprehending and appreciating the devious phases of joy, sorrow, love, hate, ambition, desire and other elements of the human soul, the loan man has trained himself to calculate the effects of them all.

Like a mariner on a storm-tossed sea, the loan man stands at the steering wheel of the frail bark of his judgment and by sheer coolness and clear thinking weathers the storm of changing times, conditions and emotions that beat against his ship. His is a sail boat propelled by the changing winds of promises, hopes and desires; he must steer clear of the shoals and sandbars of human nature and keep in the deep channel of the human heart, gaging well the winds and storms of business and industry.

Problem.

This constant close touch with the frailties of human nature makes the loan man himself become sensitive. He feels more deeply the thrusts and jibes of his fellowmen and in the past has been all too prone to avoid publicity and hide from a clear and frank discussion of his business, rather than face and answer the libels of his slanderers. The writer of this paper feels that the time has come when various fallacies and erroneous charges made against the loan business should be gathered, analyzed and answered. Time will only permit, however, discussion at this time of the few more common ones.

It is said:

1. "We are making money out of money."
2. "We are leeches and social parasites."
3. "We labor not, but derive our profit out of the labor of others."
4. "We are called usurers."
5. "We are accused of making exorbitant and outrageous profits."

Solution.

Let us take these charges up one by one, granting our maligners that there is a semblance of truth in what they say and that many of them speak with frankness and sincerity.

It will be easily demonstrable that these opinions have come from ignorance, lack of information and hasty conclusions. We hear them most often from the dead beat. This we expect and they deserve no answer. But when we hear them from the man of influence, the legislator, the judge, or the social reformer, we are surprised, disappointed and hurt, and for these we must be prepared to make reply.

Accusation No. 1—"We are making money out of money."

This is as unfair as it is erroneous.

A great teacher of economics has truly said that "it is not money which makes people work but it is the value of money which makes money work." The loan man does not make money out of money alone any more than the farmer makes money out of the land or the merchant makes money out of goods. If the farmer tills not his soil and the merchant sells not his goods, neither of them profit therefrom. The loan man only profits from the value of his money and the money has value only as it is *used* with judgment, discretion, information and ingenuity.

Into the money the loan man must put his faith in human nature before it can grow a legitimate crop of fair profit. The loan man's stock of trade is not alone the money in his till but of equal importance is the wisdom, experience and sympathy in his mind.

The interest the loan man receives is his pay for his faith in human nature, his pay for confidence reposed, his pay for special risks assumed.

Have we not the right to demand pay for the independence, the freedom from worry, the respectability we furnish when we enable oppressed debtors to satisfy their creditors, anxious tenants to pay their threatening landlords. We furnish wherewithal for education, implements, seeds, stock, etc.

A loan of money actually gets for the borrowers the commodities that the money buys for them.

It is not even imaginary to say that the Loan Companies put happiness in saddened hearts, deliver contentment to anxious families, sell relief to discouraged plodders.

On the other hand there are sufficient hard, mathematical economic reasons why borrowers pay. In a vast number of cases loans are made after cold calculation of gain to the borrower.

The loan man's customer does not pay for money, but he pays for the usefulness and productivity of the things made accessible by means of money. Society is certainly *not* paying a toll for any monopoly of coined counters of exchange. More reasonable it is to say that society *is* paying for the increased production of workers, the stimulus given to trade and commerce, the happiness and contentment distributed over the counters of the loan office.

Accusation No. 2—"We are leeches and social parasites."

We are selling a service no less valuable than that of the lawyer, the doctor, the bond broker, when we put into our loans trained business judgment, trained legal experience, trained financial guidance.

And these services coming in connection with a loan are no less valuable than those of the Professions. They were costly to accumulate. They are precious to the man who owns them. They are worthy of their hire to the public which utilizes them.

Insurance premiums are only payments for promises given. Water companies do not create water; light and power companies do not create light or power. These public utilities convert one form of energy into another, transport and make accessible the forces of nature. So for the loan man, his interest charges are compensation for carrying out his half of a fair and mutual contract, for distributing money, for converting large bank deposits into small loans.

Accusation No. 3—"We labor not, but derive our profits out of the labor of others."

Our accusers say, "You handle no goods, you do not work, yet seek to make a profit out of your money."

Let us see if we have not something which we sell. The street railway company sells not goods. The telephone company sells no goods. In these instances the percentage of labor is small. The laundry sells no goods. It deals in service, a large part of which is made up of labor.

We, too, offer service. Ours is a service of transporting the most vital vehicle of all trade and commerce from the coffers of those-who-need-it-not to the pockets of those-who-need.

We are selling a service of communication just as important as the telephone, making accessible to the public hidden reserves of capital.

Economists say that essential to the value of money is its scarceness, rarity, preciousness. Equally essential is the accessibility of sufficient quantities to enable it to serve its purpose. And so we find on tracing the precious metal from the gold mines to the mint, from the

mint to the bank, bank to the public, that an important corollary to the bank is the loan company making some of the precious metal accessible to a large and specific class of people.

The service rendered by the loan man to society is worthy of its hire. His money only earns because the loan man puts value into it by placing credit where it is valuable, by taking money out of idleness and putting it into circulation, wisely and discreetly loaning it where it will do the greatest good.

Accusation No. 4—"We are called usurers."

With the advent of the Russell Sage Foundation Uniform Law and Scientific Interest Rate, this has become the falsest and most unfair of all the charges laid against us. Consider the fact that two million people think the charges reasonable and many hundreds of thousands pay the interest cheerfully and gratefully, knowing that a just compensation is due for a valuable service well rendered.

It has long been the habit of loan men, and still is a practice, to hold out the loan business as a philanthropy and to wrap the mantle of charity "around our shoulders and lie down to pleasant dreams." We deceive ourselves, and we most sadly deceive others with this manifest fallacy.

This is not only an insult to the intelligence of the general public, but an insult which would be quickly resented by the borrowers. If there is one thing that the loan man hears from his unfortunate borrowers more than another, it is that the borrower desires to preserve his pride, guard his dignity and avoid charity and alms. If there is one thing that makes the Loan Man feel there is a mighty heaven-sent reason for his existence, and special laws governing his business, it is the knowledge that people prefer borrowing and paying for the accommodation, to accepting favors from real or so-called philanthropists.

Accusation No. 5—"We are accused of making exorbitant and outrageous profits."

The interest rates are fair when compared to profits of other industries. Last year I read a paper before this Association comparing our profits to those of banks. During the past year I have preserved various circulars from bond and stock houses offering for sale new issues of corporate bonds and stocks which contain sworn statements showing investments and earnings. Of course, many of these did not show as favorable figures as the few I have selected. On the other hand I believe that the table attached hereto is fairly representative of the more successful corporations. It will also be noted that they represent the extreme West and extreme East.

Year Ending.	Name of Company.	Capital and Surplus.	Gross Earnings.	Per Cent.	Expenses.	Net Earnings.	Per Cent.
1920 Dec. 31	The S. California Edison Co.	$32,835,372	$14,648,000	42	*$6,399,000	$8,248,000	25.0
					†3,294,630	4,954,370	15.0
Nov. 30	Pacific Gas & Electric Co. ..	65,239,000	34,586,508	53	22,804,485	11,782,023	18.0
1921 Jan. 31	Denver Gas & Electric Light Company	11,176,200	5,206,455	46	3,250,271	1,956,183	18.0
Feb. 28	Pennsylvania Public Service Corporation	5,914,000	3,525,317	58	2,325,377	1,198,940	20.6

Note No. 1.—The reports I have on the following two manufacturing companies are less complete but as equally illuminating. The Packard capitalization is for 1920, and I presume that there was very little change between 1918 and 1920, and the gross sales in 1920 were $58,894,525. This emphasizes the fact that in the loan business there is no such thing as turn-over to enable us to get a profit off of more than the actual cash investment.

*Operating Expense.

†Interest on Mortgage.

Year Ending.	Name of Company.	Capital and Surplus.	Gross Earnings.	Per Cent.	Expenses.	Net Earnings.	Per Cent.
1918	Packard Motor Car Co.	.....	.....	.....	.....	$12,248,351	25.0
1920	Packard Motor Car Co.	$48,804,731	.....	.....	.....	9,415,957	19.0

Note No. 2.—I find the following figures in the National City Bank Bulletin of New York, and which are interesting in the light of their advertising to the effect that their profits are only one-half of one per cent. of the gross sales and I am informed that they are able to turn their money over four or five times each year.

Name of Company.	Year.	Per Cent.
Swift & Co.	1917	25.00
Swift & Co.	1918	13.22
Swift & Co.	Average for ten years, 1910-1920	10.18

Let us compare these figures with some taken from loan companies operating in Indiana which are typical. Of course, the profits in the loan business vary according to the amount invested, size of the town in which located and respective abilities of the managers and owners.

Year.	Office.	Average Investment.	Gross Earnings.	Per Cent.	Expenses.	Net Earnings.	Per Cent.
1919	No. 1	$59,078	$22,773	38.0	$12,190	$10,583	17.9
1920	No. 1	75,521	27,122	36.0	12,334	14,788	19.5
1919	No. 2	144,156	43,849	30.4	20,913	22,936	18.3
1920	No. 2	131,561	44,010	31.1	22,582	21,428	16.0

It is to be remembered that although the law allows a maximum interest charge of 42 per cent. a year, that the gross earnings cannot equal this for two reasons:

1. About 9 per cent. or 10 per cent. of this capital is idle in cash, fixtures and delinquent accounts and bad debts.

2. The maximum rate cannot be charged in every case, but lower rates are compelled by competition and large loans supported by extra good security involving small risks.

Conclusion.

And so the Loan Man sailing over troubled seas keeps ever in his mind's eye that distant shore where waters run smooth, slanderers' tongues lie idle, the peaceful palm tree waves welcome repose and security.

His sturdy arm is strengthened by the right, his doughty heart beats for truth and his compass points to the unchanging North Star of justice—keeping our brave Mariner, the Industrial Licensed Loan Man, singing merrily at his task. Come what will an all-seeing Providence guards over his destiny and he takes courage from the confidence that his is a good and noble work well done.

THE EARMARKS OF AN HONEST MAN.

Diogenes searched the streets of Athens for eighty years, barefooted, bareheaded, wearing few clothes and long whiskers, carrying a stick across his shoulder, attached to the end of which were his personal belongings in a sack. He slept in a tub at night and subjected himself to many physical discomforts trying to find an honest man. He succeeded only in dignifying his impertinence. For all practical purposes, an honest man is not so hard to find as Diogenes would have us believe. In fact the dishonest man is the exception.

Gentlemen, I want to bring to your attention one of the most vital elements of the loan business, both from the stand-

point of granting credit and engaging employees to operate your offices.

The latter is far more important, owing to its permanency. The employee may radically alter the status of your office while a member of your organization. You are dealing with people, with individuals, not goods, and the tendencies, inclinations and characteristics, of these people are your problems.

I will confine this discussion to the element of honesty and its manifestations. No doubt most of you depend exclusively upon reports from references and the man's environment to determine his honesty and dependability, without considering the physical characteristics of the man himself. The reason so little credence is given to the relation between physical and mental attributes of human beings, is because so many absurd and contradictory statements have been made concerning the subject.

For instance it has been said that a man with no lobes on his ears or two crowns on his head is dishonest. Some years ago, a number of physicians in this city concluded that dishonesty was caused by a pressure of some portion of the skull on the brain. They forthwith established a clinic and began to operate, with the result that the first victim stole the doctors' instruments and left the hospital.

The vice-president of the National Bonding Company of New York, states that fat men on the average are more honest than lean men. This statement is corroborated by the president of the U. S. Fidelity and Bonding Co., who states that he does not remember a single case of embezzlement by a fat man. This is probably due to the fact that the fat man does not worry about the future and will not take such desperate measures to provide for it.

The same authority also, contends that a blonde is more honest than a brunette and a young man is more honest than a middle-aged man. These statements are somewhat arbitrary and are based on racial conceptions of property rights.

There are certain physical attributes which denote a tendency toward dishonesty, that are well worth your notice. These are more mannerisms and expressions than otherwise. A person who is lazy, shiftless, careless, and lacks energy is not dependable. He will commit crimes of omission rather than commission.

A certain bank teller took in checks on overdrawn accounts at various times to the extent of $30,000. These were tossed into an unused drawer instead of an effort being made to collect them. When discovered, he had not received a cent of the $30,000 shortage but he was responsible for the crime. His shiftless habit received its usual reward.

This type is easily distinguished by his run-over shoes, disheveled hair, the back of his neck and ears dirty, some of the buttons off his coat and a general unkempt appearance. He prefers to make a lot of money easily, hence he becomes a ready victim of counterfeiting, forgery, etc. He is always waiting for something to turn up.

You have all met

"The man who never had a chance,
A victim of fell circumstance,
Who never was 'Johnny on the spot,'
How sad and pitiful his lot.

"He had two hands as good as those
Of the other fellow, who bravely rose
To affluence and high renown,
And was a credit to the town.

"He had two legs without a flaw,
Two better legs I never saw.
He had two eyes, two ears, a nose,
And the usual array of toes.
A dome on which to wear his hats,
A liver and a set of slats,
And whiskers till he couldn't rest,
The whole equipment he possessed
By which the human tribes advance,
And still he said 'he had no chance.'

"He had a wishbone and a lung,
A solar plexus and a tongue
And still he raised the same old whine,
Because he hadn't any spine."

There is another type which is so unfavorable that great wisdom would be shown in his elimination. It is the man with the negative traits. One who has no opinions of his own, is influenced by every one with whom he comes in contact. He has no individuality and agrees with everything you say or do. He would rather commit a criminal act than to resist the opinion of those who influence him. Such a man goes home some night and his wife says:

"John, the Stanleys have a new car. You are as smart as Mr. Stanley and I am as good as Mrs. Stanley. They have pretended to be our superiors long enough. You must get us a car, somehow."

John can not afford a car, but he uses some means available at the time and gets the car. Later he gets a sentence.

If this man had been of the positive type with enough will-power to back up his own opinions, he would have said to his wife:

"Sarah, I am earning only $40 per week and we spend $39.60 of it for necessary living expenses. We can not afford a car and we will not have one."

You can readily see which type is safest because most crimes are committed for the sake of some one else. You are partially responsible for such crimes when you place a lazy or negative person in positions of great trust because they can not withstand the strain when temptation comes.

The best means to detect the negative type is by the lifeless, limp hand-shake he gives you and the habitual hanging of the lower jaw which leaves the mouth partially open when he is at ease. Also, a low, flat, crown portion of the head denotes lack of individuality.

Criminologists tell us that persons with unbalanced physical features are likely to be erratic and criminal because they prefer not to follow the rules of society in their every-day conduct.

All unbalanced people are not criminal, but all criminals are unbalanced. Some illustrations of the unbalanced types are, eyes or ears out of line, one side of the head larger than the other, nose lopped over on one side, etc.

It is a remarkable fact that criminal families do not survive from one generation to another. They are weak somewhere and these weaknesses are either eradicated by heredity or they die out entirely.

By far the most favorable man to employ or entrust is the healthy, sane, positive, active, balanced individual, for nature greatly favors the fittest:

"In Northern Zones the raging bear
Protects himself with fat and hair,
Where snow is deep and ice is stark
And half the year is cold and dark,
He still survives a clime like that,
By growing fur, by growing fat.

"These traits, O, Bear,
Which thou transmittest,
Prove the survival of the fittest.

"To polar regions waste and wan,
Came the encroaching race of man,
A puny, feeble, little lubber,
He had no fur, he had no blubber.

"The scornful bear sat down at ease,
To watch the stranger starve and freeze.
But lo! The stranger slew the bear
And ate his fat and wore his hair.

"These traits, O, man,
Which thou transmittest
Prove the survival of the fittest."

G. W. FARRINGTON.

REPORT OF THE LOAN AND CREDIT DEPARTMENT.

HENRY W. KRAEMER, *Clerk.*

The General Assembly of the State of Indiana, in the year of 1917 passed an act to license and regulate the business of making loans in the sums of three hundred dollars ($300) or less, secured or unsecured, at a greater rate of interest than eight per centum per annum, prescribing the rate of interest therefor, prescribing penalties for the violation thereof, and repealing all laws in conflict therewith. Acts of 1917, Chapter 125.

The annual license fee paid to the State of Indiana is one hundred dollars ($100). All licenses expire on the first day of May of each year. All licensees must file a bond of one thousand dollars with the Auditor of the State.

On September 30, 1920, the end of the fiscal year, there were 235 licenses issued in the State of Indiana. This is an increase of 50 over the fisical year of 1917.

The license fees from October 1, 1919, to September 30, 1920, paid into this office were $25,950. The fees paid into this office from May 1, 1917, to September 30, 1917, were $18,500. The fees paid into this office from October 1, 1917, to September 30, 1918, were $18,900. The fees paid into this office from October 1, 1918, to September 30, 1919, were $20,200. The fiscal year ending September 30, 1920, shows an increase of $7,450 over the year 1917, and an increase of $7,050 over the year 1918, and $8,750 over the year 1919.

The law regulating the chattel or industrial loan business in Indiana is known as the "Uniform Small Loan Law." This legislation was prepared by the Division of Remedial Loans of the Russell Sage Foundation, after consultation with members of the National Federation of Remedial Loan Associations and representatives of legal aid societies, public welfare commissions, charitable societies, and others. Many states have adopted the "Uniform Law" since its enactment in Indiana and it is considered the most satisfactory legislation so far enacted.

The law is attracting legitimate capital and has made it extremely difficult for the "loan shark" or unscrupulous lender to exist. There has been violations in some instances but this department has usually found them to be of a technical character and the licensees have promptly followed the suggestions of this department. Lenders operating without a license were found in various instances and were requested to take out a license and pay the necessary fee to the State.

Every kind of employment and every kind of industry is represented on the books of the industrial lenders. Reliable information proves that there are many reasons for borrowing—to pay debts and obligations already incurred and to meet contemplated expenses. It is the policy of the reputable industrial lenders to restrict their loans to constructive and helpful uses. There are many people who at times need small sums of money on account of being out of employment, sickness in family, death in family, or have an obligation to meet, who can not get money from the banks because they are not known or have no real estate or security, who can go to the industrial lender and get financial help and pay it back in small installments.

It is not believed out of place in this report to say that the organization known as the "Indiana Industrial Licensed Lenders Association," composed of a majority of the lenders throughout the State, has exhibited a fine spirit of coöperation in the administration of this law. So far as it has been the experience of this department, its membership is heartily in accord with the department in the enforcement of the act.

From the reports of industrial lenders scattered over the State and from other reliable information, I will try and estimate the volume of business done in this State since January 1, 1920.

Amount of Invested Capital in the State of Indiana, ...	$6,000,000
Total Number of Loans made to June 30th, ...	154,700
Average Number of Loans of $25 and under, ...	26,030
Average Number of Loans $25 to $50, ...	47,230
Average Number of Loans $50 to $100, ...	50,590
Average Number of Loans over $100, ...	30,850

Court records show the number of foreclosure suits compared with the volume of business is very small, and demonstrates that the vast majority of the borrowers are able to meet their loans without causing the lender to resort to law.

The above information is gathered from both small and large locations and proves the legitimate demand for small loans is not restricted to larger cities.

This law has put dignity and confidence in the loan business heretofore unknown, so that loan transactions stand upon the same footing as other business transactions. This department believes Indiana as the pioneer in legislation of this kind should have control of every chattel loan transaction had in this State. Regular examinations by this department should be made of each licensee, as the borrower and the lender are alike benefited by adequate supervision and regulation by the State.

The legislature of 1919 put the Loan and Credit Department under the supervision of the Department of Banking, the same taking effect October 1, 1920.—*Year Book, State of Indiana for 1920.*

NATIONAL CONVENTION.

The coming annual convention of the American Industrial Licensed Lenders' Association, at Drake hotel, Chicago, Ill., September 22-24, will be of great importance. At no time in the history of business, has there been such a multiplicity of elements which affect it, and this is especially true with regard to the licensed lenders business. This convention will take up and diagnose many of these ailments, and suggest an efficient remedy.

The need of the nation, the need of industry, and the need of every man engaged in business, is a *sustained efficiency.*

From the standpoint of the nation's interests or of personal profit, maximum efficiency is the thing needed.

The race to get to normal is a Marathon one, not a sprint, or a quarter.

The biggest minds in the nation, in fact the nation itself, is much concerned with these serious questions.

The National Convention will answer many questions pertinent to our business.

Then think of the outing in the Windy City.

Convention date September 22, 23, 24, 1921.

The annual convention of the National Federation of Remedial Loan Associations will also be held in Chicago, September 19, 20, 21, at Hotel Morrison.

By taking a week off it will be possible for members to attend both conventions.

The National Secretary will appreciate program suggestions now.

IS THERE ENOUGH BANKING?

By Samuel Spring.

Criticisms of banking have been so constant of late years that they have grown monotonous. Among the poor the word finance has come almost to have a sinister implication. Ponzi, embarking on his amusing yet sordid adventure of doubling the people's money in thirty days, used as his most telling argument a diatribe against the bankers who, he said, were making profits of several thousand per cent a year in international exchange and were determined to destroy Ponzi, the people's friend, because Ponzi shared his profits with the poor. Since the collection and allotment of capital—the function of banking—is the controlling aspect of our capitalistic system, it is but natural that those radicals who abhor capitalism should assail banking. Even some who accept the basis of our society have a scorn of accumulated wealth. Henry Adams found that part of the Adams's tradition in New England was to be at sword's points with State Street. Yet the distrust of banking in America, it would seem, involves causes deeper and more significant than mere attacks upon capitalism or the intellectual scorn of wealth.

There appears, indeed, to be something rasping and irritating to the poor about our banking system. A politician finds the horror of both Socialism and Wall Street bankers a sturdy dependable stepladder to office. The Farmer-Labor Congress, recently held in Chicago, decided that credit and banking were the greatest need to-day of farmers and labor, and then quickly followed with a caustic attack upon the so-called banking despots of America. Banking is an ancient, an honorable, an indispensable busines. The basis of banking is confidence. Anything that impairs confidence is an obvious menace. Ponzi disturbed the Boston public's confidence in banking and at once six Boston banks closed their doors. What is the cause of this too wide-spread irritation and hostility? Is it that the farmer and the worker, particularly those of immigrant stock, accept the cynic's monotonous creed and feel that American Banking, even under the Federal Reserve System, represents an improper concentration of power in the hands of the few? Perhaps the chief fault with American Banking is that there is not enough of it, that it is propped up too high, and does not reach down below the middle class to the workers. Men are always hostile to institutions which are closed to them.

Oddly enough, the many indications of this lack of sufficient banking in America are commonly viewed as haphazard, unrelated accidents.

Everyone abhors the usurer. When a newspaper prints a story of a "loan-shark" exacting two hundred per cent compound interest from a widow or a desperate wage-earner, all of us instantly have a yearning to boil the Shylock in oil. The law should forbid usury, we immediately conclude, without determining where a worker to-day can get fifty or a hundred dollars during sickness and unemployment, on his character alone, if not from the usurer.

When a tinseled, brazen fraud like the Ponzi scheme surges through the press, the public half pities, half scorns the immigrants who proclaimed Ponzi the greatest Italian since Columbus while they poured their savings into his facile hands. The law should prohibit such frauds, the public concludes—if any law can succeed in keeping a fool and his money together. Few recognize any basic relation between usury and fraudulent promotions.

And thrift! Out of the wreckage of the war's propaganda efforts are now being made to rescue the movement to encourage thrift—but without noticeable success. We find that with the American desire for an active, adventurous life there has not been evident in the past a great impulse to save. The immigrant is more thrifty than the native American. Somehow, beating the tom-toms now that the war is over and crying, "Save, that America may be great!" does not seem to excite the people Drives have become unbearable. Yet saving is the source of all capital. Where can the incentive to thrift be found?

A lack of desire to save with a stifling shortage of money and capital; the perplexing success of fraudulent promotors robbing American workers of a third to a half billion of dollars annually; the complete absence of credit facilities for the poor (what bank will lend a worker in distress fifty dollars on his unsecured note?) resulting in the maleficent power of the usurer: are these merely isolated disorders? Rather, do

they not indicate, when considered in the light of the popular distrust of banking, a gap in our financial system? For these incidents are all aspects of banking operations—or rather of the lack of banking facilities.

The situation has ceased to be a problem; it has become a field of action. The workers themselves are moving forward. The Brotherhood of Locomotive Engineers, finding their efforts to control the railroads under the Plumb Plan frustrated, have started their own Coöperative National Bank with a paid-in capital of a million dollars—an opening move in a policy which unquestionably will be of greater significance and more lasting influence in America than the entire ill-starred Plumb Carnival.

Consider credit. Modern business would perish without the free use of credit. No one to-day would say even to the small business man: "Neither a borrower or lender be." Yet when it is said that the worker or farmer needs a small loan on his unsecured note and is forced to go to the loan-shark because no bank will accommodate him, most bankers conclude that a thrifty worker does not need to borrow. It serves him right, is the verdict, if he has to pay a grotesque rate of interest; the lesson will teach him thrift. Yet how shallow such a conclusion is! Misfortune, unemployment, sickness, the needs of a large family—these setbacks every year reduce great numbers of thrifty and steady workmen to conditions of piercing need. When a workman does prosper it is natural for him to plunge—not in the stock market, but by buying a piano, a home, or insurance on the installment plan. Anything bought on the installment plan, from a home to furniture, is not acceptable collateral for a loan; never an asset, but a distinct liability, until fully paid. Coöperative Loan Banks and Building and Loan Associations have made it easier for the worker to buy his home, but not to such an extent as to solve the problem. Many a worker, moreover, who is paid at the end of the month, or twice a month, finds it a tremendous task to accumulate enough so that he can meet both last and next months' bills. Numberless American families, in truth, never do get a pay-day ahead, as is shown by the fact that most retail grocers catering to the working classes are forced to do business on the wasteful credit basis. The success and prevalence of installment houses in America indicate the existence of unhealthy credit conditions among the working classes which can be remedied only by the encouragement of thrift and by credit facilities for the unusual case. Cash payments are the only sound basis for small business. Moreover, there are seasonal demands upon the worker just as there are upon the farmer or the business man. The autumn, with the need of storing up coal, clothing the children for school, and preparing for the winter, represents a genuine strain in the great bulk of American homes. In brief, we have here a repetition of the familiar credit needs of modern economic life—only on a Lilliputian scale.

With the farmer, the situation is much more acute than with the industrial worker. For many decades the banker smiled when the farmer complained bitterly of the lack of credit facilities with which to buy land for farming. "Don't buy your farm until you have saved enough to pay for it," was the solution proposed by the banker. But is credit the divine right of the industrial entrepreneur? The Federal Farm Loan Act has furnished credit to the farmer for the purchase of land; yet the farmer, since as a rule he can collect on his labor only once a year, still needs credit facilities for the purchase of stock, tools and supplies. One of the sombre aspects of our farm life to-day is the Shylock system of merchant advances to the farmer. The merchant in the cotton belt, who is also usually a small cotton broker, finances the farmer in his district at a rate of interest, it is estimated, from thirty to fifty per cent per annum, and gambles at the farmer's expense, with the farmer's cotton. The same is true to a less degree in the fruit lands of California and in the grain fields of the Middle West. The remarkable, the menacing feature of our farm life is the increase of tenantry and the decrease of farm owners. The causes of this deterioration in American agriculture are many—but usurious rates of interest, obviously, are having a baleful influence upon our farming population.

The perplexing aspect of the activities of money lenders is that credit can be extended by them in small amounts only at a tremendous rate of interest. The Russell Sage Foundation, after an examination of the books of various money-lenders, concluded that from 30 to 42 per cent interest per year was needed in order to afford the money-lender a reasonable profit. Some organizations advertise six or seven per cent per annum as their charge, but greatly increase that rate by various devices. The smallness of the individual operation, the difficulty of ascertaining the character of the borrower so that loss may be avoided, the heavy overhead and bookkeeping costs involved, all prohibit the ordinary banker from considering such loans, and require a tremendous interest charge by the small money-lender.

Indeed, the banker to-day is not equipped for such business either in training or in point of view. Most loans of discount bankers are on unsecured paper; that is, they are purely loans of character. A banker will lend ten thousand dollars on character where he would refuse to lend the same man one hundred dollars. Small loans under our present banking system are unprofitable. More than that, successful banks always grow larger, and as they grow larger they have less interest in the smaller business men. One of the acute Americanization problems in our industrial cities in the lack of safe banking accommodations for the immigrant merchant. The banker, coming usually of native stock, is unable to understand the perplexed and emotional immigrant business men. Knowing that confidence is the basis of banking, and determining like Cæsar's wife they must be above suspicion, bankers generally seek refuge from suspicion by turning their banks into Greek mausoleums and conducting their business with sepulchral coldness of manner and thought. Thus the small, timid borrower, as well as the small depositor, is chilled at the threshold. The wide and unfortunate prevalence of private banking in our industrial centers is largely a result of this coldness in banking. But aside from the problem of small banks, the fact remains that existing banks, both urban and rural, cannot handle small loans at a profit, and that as a result there is a gap in the present banking structure.

The Farmer-Labor movement to start small coöperative banks unquestionably fills this gap by creating economically sound an dsafe banking units. The small sums of money involved in popular banking make low overhead and operating charges imperative. Coöperative banking alone can meet this paramount condition. There is indeed nothing novel or surprising about such coöperative banking units except the fact that there are so few of them in America and that our established banks and the Government have been so inactive in encouraging their organization. Since there is no Federal legislation making it possible to create interstate Coöperative Banks, the Brotherhood of Locomotive Engineers was forced to use the unsuited machinery of a national bank. Massachusetts has been a pioneer in establishing people's banks or credit unions, as they are called, and in 1909 placed favoring legislation on its statute books. So have five other states. There are in Massachusetts over thirty-five thousand shareholders of credit unions; seventy credit unions have assets of over three millions of dollars, and last year made almost fourteen thousand provident loans. The number of loan-sharks in Boston in the nine years of credit union activity has declined from three hundred to forty. In the province of Quebec, Canada, the *Caisses Populaires* or People's Banks number almost two hundred, with assets of over twelve millions. Coöperative banks have for generations been extremely successful in Europe. In 1919 there were approximately sixty-five thousand of these people's banks in Europe with an annual overturn of the staggering sum of seven billions of dollars. Italy has been exceptionally fortunate in establishing such organizations. Thus the Locomotive Engineers, the Telephone Workers, the Garment Makers, and other trade groups in starting such banks are not blazing new trails but following in beaten though neglected paths.

The organization of people's banks, as established under Massachusetts or Texas or New York laws, is simple. A banking corporation is organized with the consent and under the guidance of the Bank Commissioner. Shares of small par value—for example, ten dollars,—are sold on the installment plan. The shareholders are limited to one vote each in electing directors, regardless of the number of shares held, in accord with the Rochedale principle of coöperation of one man, one vote. Loans are made out of capital and deposits and to shareholders only; when a loan is over fifty dollars, security in the form of an endorsement or collateral is required. All interest on loans is distributed to shareholders in the form of dividends. Since these banks can be organized in small units and are mobile and facile, they can be started among natural social groups—workers in one factory, the residents of a neighborhood, or the members of a lodge or society.

The outstanding weakness of such organizations, as is true in the case of all coöperative movements, is the lack of vigorous control and direction arising

from the absence of personal interest. Credit unions are seldom organized spontaneously; propaganda and education are necessary and to a considerable degree. Moreover, the direction and assistance of established credit unions by some outside interest seems necessary. Bookkeeping difficulties, lax methods, extreme attitudes toward loans often appear. One credit union may operate as a philanthropic organization and lend without discretion; another may be unusually bold and hoist interest rates in order to pay nonborrowing, investing members handsome returns. Thus the uncertainty of popular banking must not be ignored, although it must be said that existing credit unions have shown surprisingly few losses. Again it must be recognized that a small, unsocial part of our public desires to obtain its loans secretly. The sensitiveness and pride of some borrowers may be unfortunate yet it must not be overlooked. Small money lenders must be dealt with intelligently, and encouraged to put their business on a tolerable basis, instead of suppressed by unreasoning prohibition.

The vast growth of fraternal orders in America, the instinctive skill of the American in creating unofficial organizations—trade unions, chambers of commerce, vigorous societies to protect everything from animals to moribund traditions—show that the weakness in coöperative banking is not fatal. Much of New England's wealth has been accumulated in mutual savings banks controlled by public spirited trustees with the depositors acting as stockholders. In the case of our railroads and large industrial corporations the stockholders are always absentee owners and delegate the management of the enterprise to a small group of bold men in whom they have confidence or whom they are unwilling to depose. Only those large private corporations having intelligent and public spirited directors are successful. Thus people's banks are run by a small group of the more forceful shareholders who make mistakes but who devote a great deal of time and energy to the work. The need of intelligent and public spirited directors is not greater here than in the case of big business. Outside aid can be given to existing credit unions by the state, or by a council or clearing-house including the more vigorous credit unions. The German method of corporate management, adopted in England in the case of coöperatie organizations, of putting a check upon improper corporate action by creating in addition to a board of directors a board of supervisors, consisting of shareholders who are not directors, empowered to audit, supervise and to prevent fraud, seems a desirable though unlikely addition to coöperative banking in America. The outstanding feature of credit unions, it must be remembered, is that by their very nature the are exceptionally qualified to pass upon the risk involved in a small loan. A credit committee composed of laborers or farmers who work or live near the applicant for a loan can ascertain his character and habits readily. A worker with a good character is respected by his associates and finds that his character, in times of distress, is a banking asset. Intelligent industrial managers are encouraging the growth of credit unions by contributing free rent and bookkeeping guidance. Much, indeed, can be said about the workings of people's banks. The essential facts involved are, however, that credit facilities at a reasonale interest charge for the working and farming classes must be applied as the basic support of our credit and capitalistic system, and that coöperative banking, as is clearly shown by European experience, alone can meet the need and function in this vast yet restricted field. If the state and the banking world would show a more intelligent appreciation of the credit difficulties with which farmers and laborers are struggling, the problem would be less embittered. The gap in our banking system must and will be filled; if it is filled soon, questions of finance will not be enshrouded in so lurid a mist of class hatred.

Thrift involves a problem not only of the desire to save, but of creating a machinery for saving. The accumulation of money by the saving of pennies and other small coins carries with it the underlying mechanical difficulty of providing a place where the saver can deposit his daily or weekly savings. Penny and five cent banks have been started in America, but they have soon ceased to be more than an ordinary savings bank. It is impossible for the ordinary bank, because of the clerical and overhead expense involved, to receive deposits of less than a dollar, or indeed of less than five dollars. Children's banks have been distributed by some banks as a convenient device, but with scant success. How can the worker's pennies and nickels be handled in a manner that will encourage him to save?

For saving involves a marked though subtle psychological impulse. The boy accumulating marbles and his grandmother saving trading stamps; the clerk struggling to get his first thousand dollars and his employer gloating over the number of his art treasures—all are yielding to an underlying prehensile instinct deeper even than selfishness. For the gratification of this instinct demands not only accumulation, but visible proof or symbols of accumulation. The Treasury Department in starting its thrift campaign quickly perceived this fact, and issued attractive Savings and Thrift Stamps. The scope of this plan is now being extended by the issuance of dollar and twenty-five dollar stamps. The accumulation of twenty-five cent thrift stamps, however, still remains the basis of this system. The entries on Savings Bank books have somewhat the same gratification. Procrastination is both the thief of time and the assassin of thrift. So long as the banks are open only during working hours, so long as workers are expected to go out of their way to deposit savings or wait until they have accumulated a large sum before depositing, the majority will procrastinate. Many industrial managers have tried to meet this difficulty by deducting, with each worker's consent, a certain amount weekly from the pay envelopes for deposit in a Savings Bank. Many Liberty Bonds were bought by this method. Some industrial managers allow their workers to purchase stock representing an interest in the factory on the installment plan, deducting weekly payments thereon from pay envelopes. The ownership of stock by wage-earners of our industrial corporations has been advocated by some as a solution of the labor problem. Some of our most powerful and aggressive industrial managers have adopted this plan as a fighting weapon against the closed shop Unquestionably the approach to coöperation in industry by this method of thrift has great possibilities. Workers, however, frequently object to a plan whereby the employer saves for them as limiting their independence. The impulse to save, indeed, is checked where the individual depends upon others to do the saving for him.

Credit unions partly fill this gap. The treasurer of a credit union composed of workers in a factory or residents in a neighborhood can gather in the small deposits and deposit the gross amount. This method was adopted by the Federal Government during the Thrift Campaign by the organization of War Savings Clubs. Yet constant education and attractive reminders must be utilized to keep alive the desire to save.

But above all else, the impulse to save can be kept active and compelling only by the hope and opportunity of accumulating riches. The fascination of building up wealth which will enable a worker in his old age to survive, and before then to enjoy some of the ease and comforts of life, is the only genuine impulse to thrift. To-day the only opportunity the poor have to save is that offered by installment houses and savings banks. Money saved and hoarded is more useless to a nation than money squandered. Over three billions of dollars of currency, it is estimated, is hidden in America and thus unused. Our Federal Government has established a Postal Savings System paying around one per cent per annum interest to depositors —a dismal contribution, as Mr. Herbert Hoover has pointed out, to the movement for thrift! The three to four per cent paid by savings banks is all that is consistent with mobility of investment; but the American laboring classes, living in a land of high opportunity, with fairyland fortunes flaunted by obese millionaires, cannot be stirred to thrift without an opportunity to participate in the honest speculative and investment chances open to the upper classes. Savings banks can pay only low rates of interest because their investments must be not only absolutely safe but fluid. Savings deposits lent out by Savings Banks to entrepreneurs pay the user fascinating returns without fatal risk. The poorer classes are entitled to an opportunity of risking part of their savings in order to gain the full return. The participation of the working classes of Japan in investment and speculation, though overdone, is significant. Give the man who saves in pennies and nickels a chance to take honest investment chances, and the impulse to thrift will flourish even as the modern baytree, America's taxes, are flourishing to-day.

From a third to a half billion of dollars is stolen annually from the American public through the sale of fraudulent securities. Surely this is an encouraging sign so far as thrift is concerned! If the American people can save that amount of money each year to lose gamely in frauds, and in addition can hoard away three billions of dollars returning no profit, is it not evident that they would save much more if encouraged by an opportunity to invest wisely and safely?—*April N. A. Review.*

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INDUSTRIAL LENDERS NEWS

Official Organ American Industrial Licensed Lenders Association Which Is a Member of the Chamber of Commerce of the U. S. A.

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AS OTHERS SEE US.

Those members who have become impatient because the public has been slow to recognize the merits of the movement inaugurated five years ago when the A. I. L. L. A. was organized to improve industrial loan conditions among the commercial enterprises then and still existing, will be encouraged and interested in the article by James H. Collins, entitled "The Poor Man's Banking," which appeared in the *Saturday Evening Post*, July 16th. Mr. Collins' reference to the A. L. L. A. is another recognition by him of the work in which we are engaged and it will be far-reaching because of the wide circulation of the *Saturday Evening Post*. Non-members and high rate lenders in states where the business is not yet properly regulated should consider it an honor and privilege to belong to our state and national organizations and add further impetus to the movement. Get the *Saturday Evening Post* for July 16th and read the whole article and do what you can to further spread this excellent publicity among the people who still need education. Of Mr. Collins, who has an international reputation as a writer, and who contributed his ability to his country during the war, one writer says: "James H. Collins is a writer whose opinions command the entire respect of business men the country over. He is a trained observer who has made the field of business peculiarly his own."

We quote in part Mr. Collins' article:

Old Interest Laws.

"There is more than one moral for present times in a certain period of English history. Back in the Middle Ages somebody discovered a passage in the Bible that prohibited the taking of interest, and Parliament zealously passed a law to that effect. People still had to borrow—an act of Parliament had little effect upon this universal need. By a broad interpretation the Jews were held to be outside the pale of Christian law, morally at least, and were soon doing most of the lending at interest. Interest rates were pretty stiff—a good deal of popular prejudice against the Jew can be traced to those times. When they learned that borrowing was still necessary, and that the prohibitory law simply increased interest rates, English legislators modified the act, permitting anybody to take interest, but limiting the rate. People still had to borrow, and if their credit and security did not warrant a loan at the legal interest rate, higher interest was paid secretly. Once more the legislators took thought and saw a great light.

"'Why, this thing seems to run itself!' they said.

"Whereupon the legal rate on interest was abolished in many places, and the thing has been running itself pretty much ever since upon supply and demand, with decided facility and economy.

"Our own efforts to abolish the poor man's borrowing facilities are also beginning to give us a little wisdom. Some years ago the Russell Sage Foundation made an inquiry into the loan-shark phase of poor people's borrowing, finding many abuses, such as interest rates camouflaged by fees and commissions that made the money cost anywhere from 10 to 50 per cent. monthly. Efforts were made to put the professional money lender out of business through publicity and prohibitory laws, and at the same time provide his customers with borrowing facilities through philanthropic and coöperative agencies like the Remedial Loan Association and the Credit Union. The Remedial Loan Association lends funds supplied by benevolent people at reasonable rates, while the Credit Union enables folks in moderate circumstances to borrow money from their fellow workers on a safe and self-respecting business basis. There was not enough benevolent money to meet the demand, nor did the Credit-Union idea grow fast enough to meet it. People still went to the professional money lender. Further study showed that he was not only necessary but often doing business at reasonable charges when his cost of doing business was understood. He often made loans as small as a dollar. The average loan ranged from twenty to sixty dollars, according to the locality and conditions. He seldom lent more than $300. Most of the small borrowers needed money so desperately that they would pay any rate of interest. Loans below twenty-five dollars were usually unprofitable in themselves except at exorbitant rates, but they could be made at reasonable rates if the volume of larger loans was built up to carry them.

"Working hand in hand, the decent money lenders formed the American Industrial Licensed Lenders Association and got behind a uniform-small-loan law drawn up by the Russell Sage Foundation for submission to state legislatures. Briefly, this law licenses the professional money lender, puts him under bond and regulates his business. His operations are subject to examination by state authorities. He must keep prescribed records of every transaction. A maximum monthly interest rate is established, and camouflaged charges like investigating fees and renewal commissions are prohibited. He must give his clients a statement explaining every detail of a loan, acquaint them with certain provisions of the law that protects their interests, avoid misleading statements in advertising. Such loans are usually secured by wage assignments—the borrower pledges his job. The element of secrecy in wage assignments, often a basis for an extortion, is torn away.

"This law has enabled the decent money lenders to police their own business, and have it recognized as necessary and one that can be conducted reasonably. With slight variations it is in force in Maine, Illinois, Indiana, Iowa, Connecticut, Georgia and Maryland; in amended form in New Hampshire and Virginia, and in substance as to supervision and rates in Massachusetts, New Jersey, New York, Pennsylvania, Ohio, Oregon, Utah and Michigan, with prospects of extension to other states. It covers practically all our industrial sections where people need small loans. In Illinois recently a state official administering this law reported that the old-time loan shark had been driven out of business in Chicago, and that loans aggregating $5,000,000 had been made under the law in Illinois, with a saving of more than $4,000,000 a year to borrowers."

NEW JERSEY.

In a letter to J. W. Whitstone dated July 14th, C. G. Mueller points out another example of how our members police the small loan business:

DEAR MR. WHITSTONE:

Some time ago as chairman of the New Jersey Association you rendered valuable services in bringing to the attention of the New Jersey Banking Department the practice of a Mr. Austin, of Newark, who was charging a fee to prospective borrowers after the loan was made, without rendering any service except directing them to the several licensees. It is in this connection that I wish to report that through our efforts we not only succeeded in having the practice stopped but made a settlement yesterday with Austin's attorney wherein Austin has returned all the fees he has collected which we have applied on account of the respective accounts to the credit of the borrowers, thus closing an annoying incident and establishing a precedent in like circumstances.

I thought you would be interested in knowing this and I want to convey to you and those who assisted us fullest appreciation for your coöperation.

When we need food—we eat.

When we need help in the conduct of our business—we attend the conventions.

"I am going to the National Convention in Chicago. Are you?"

"Sure, we will both be there."

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The National Council is composed of the National Officers, Vice-Chairmen, and Committee Chairmen.

CONVENTION NOTES.

Among the notable speakers who have already accepted invitations to attend and address the gathering may be mentioned:

George A. Barr, recently appointed director of the Department of Trade and Commerce, which supervises the small loan business in Illinois. Mr. Barr will speak at the banquet Friday evening, September 23d.

Walter S. Hilborn, acting director of the Division of Remedial Loans, Russel Sage Foundation, New York, who will speak on the "Progress of the Uniform Law." His address will probably be scheduled on the afternoon of September 22d.

And as Mr. A. E. Paris, of Peoria, says:

"Mr. Jones has an idea or an experience. He meets Mr. Smith, who has one. Mr. Smith gives Mr. Jones his idea or experience. They both, then have two in place of one. This is the direct result of conventions, where men can exchange their ideas and experiences. Every line of business, selling or manufacturing, is meeting during these days to plan the furthering of their particular business. OUR BUSINESS, the loaning of money is here fully developed as to demand, but we need the up-to-the-minute methods of conducting and maintaining it.

"The National Convention will be the ideal place to discuss and obtain these methods. The many matters to be taken up there, make it imperative that every loan man attend the full session. The fellowship, the outing, the multiplicity of benefits are too numerous to try to enumerate. The business schedule of your office, Mr. Loan Man, should be to conform to the Convention dates, to allow your presence at this Convention."

DUES.

All members please take notice, your semi-annual national dues are payable August 1st. If you paid dues for the year on the first call, this does not mean you. If you did not and you want to be in good standing at the National Convention and be included in this year's honor roll, now is the time to write a check.

If you are a member of a state association, Ohio excepted, you pay your dues through your state association secretary. If you are in a state where there is no state association you pay your dues direct to the National Secretary. Please do not make it necessary for your officers to dun you repeatedly for your dues as they all have other work to do.

Anticipate the call of your officers by responding at once. At the time this is written many of the offices supervised by W. P. Woll, Chicago, have already remitted their dues.

REASONS WHY.

The following incident illustrates how it pays in dollars and cents to belong to our state and national organizations.

On May 4th, the Indiana Collateral Loan Co. sent to Mr. L. C. Harbison, a protested check for $83.37, which was given to them by a diamond merchant in Chicago for an unredeemed pledge, for collection. On May 6th, Mr. Harbison's secretary referred the check to the Chicago Mortgage Loan Company for attention. On May 17th the Chicago Mortgage Loan Co. sent to the Indiana Collateral Loan Co., Indianapolis, a good check for $83.37 to cover the worthless check. The party who had given the bad check was out of the city for about a week or even prompter service would have been rendered. The manager of the Chicago Mortgage Loan Company in the letter sent in connection with this service says: "It happens we have a bad check law in this State and we sent the gentleman a copy of it and informed him that somebody was going to jail if that check wasn't made good, so he came across without any trouble."

In connection with this service Mr. Harbison suggests the advisability of sending out a circular letter to old members asking them to send to the National Secretary for Mr. DeWeese's use, letters acknowledging the receipt of money collected by them for other members, suggesting that they tell of instances where accounts have been collected for them. In the case referred to above, the Indiana Collateral Loan Company was saved $83.37, besides a possible attorney fee if there had been no member in Chicago to whom to refer this matter.

Let us hear from other members who have had similar experiences in order that we may convince nonmembers that an investment in the dues of membership will pay them in dollars and cents as well as in many other ways.

We are incorporating herewith a letter from A. P. Snite, Chicago, to J. A. Macbeth, Detroit, which shows another reason why:

CHICAGO, May 24, 1921.

MR. J. A. MACBETH,
Detroit, Mich.

My Dear Mr. Macbeth:

I am in receipt of your letter of May 23d, and my check for $21 which I sent you which was to compensate you for the good work you did in making collection on one of our skips, Edward McDowell, Jr.

While I know the National Association has some rule on collections, I, personally, want to pay any one for services rendered and especially as your services were so well rendered in the above case.

About one year ago I asked you to look up another skip in your town which you did and reported back to me that he had moved back to Chicago. We have since located him and made our collection.

Even though you made no collection on this account you gave me a tip where to look for him and I sent you my check for $5 which you returned to me.

By sending you that small check I wanted you to know that I appreciated the work you had done and the information you had given me even though no collection had been made by you.

As you will not accept any of my "dog gone" checks, I hope to meet you here in September at our national convention and at that time possibly I can in some way show you my appreciation.

Very truly yours,
IMPERIAL CREDIT CO.,
A. P. SNITE.

PUBLICITY.

The National Secretary has been the recipient of much correspondence lately from many members touching on the general subject of publicity and at the suggestion of Arthur H. Ham, chairman of the National Federation of Remedial Loan Associations, "Judge" Dyer's letter is reprinted here for the benefit of all:

"I have read with more than ordinary interest many of the comments made concerning the distribution of the booklet entitled "Twelve Men Said So." and beg to say that you may count me as an advocate of constant, continual and persistent circulation of documents explaining to the public all phases of our business. We have not yet succeeded in removing all the odium and prejudice against our line of business, and we shall not succeed in doing so by keeping our "light under a bushel" or by letting the public believe what it hears in adverse criticism of the manner in which our business is conducted. Much has been accomplished by the publication and circulation of the LENDERS NEWS, by printing and circulating public speeches delivered by prominent men, by circulating the favorable comments of social service leaders and by letting the world know what our state supervisors have to say concerning the honorable way in which our business is being conducted under state supervision. Col.

Hodson has rendered, in my opinion, a great service to the business generally by preparing and circulating his several pamphlets entitled 'Justifying the Rate, 'Banks and Small Loans' and other circulars dealing with the different phases of our business. These pamphlets, speeches and such reading matter not only go far to educate public opinion but also put the arguments in favor of every phase of our business in such form as to make it easy for our own people to advocate and sustain our line of business in the best possible way.

"It seems to me that the advocates of a gum shoe policy have not been yet converted to the new and modern method of conducting and sustaining this business, nor do they really appreciate the great advantages that have accrued as a result of our active campaigns to legalize the business. We are now able to openly defend our business with the same positive enthusiasm that banks and building and loans adopt when justifying their existence. We are engaged in this business because the law makers in several progressive states have recognized its necessity and provided the means and safeguards in its operation as a legitimate enterprise. Courts now recognize these laws and our contracts and enforce the latter whenever occasion requires. Why should we not let these facts be known and under all circumstances and always defend our right to pursue this line of business with arguments and reasons that may convince the public that our vocation is both necessary and honorable in every respect. During the past few years we have been engaged at a great expense in an educational campaign, especially among our own people through the avenues provided by our national and state associations. Our traveling secretary has done wonders during the past year in bringing our message of good will to all men engaged in the business who have not heretofore been actively connected with our associations. At the present rate of progress, it will be a long time before some people will be convinced that they should give up a dollar or any time in advocating any plan that does not put visible profits in their pockets at the present moment. They have no vision of the future and no interest in the general welfare of their chosen vocation. Such people are a menace to any business because in their selfish and sordid effort to make and keep every dollar, they do not keep in step with modern methods, nor will they be careful not to offend public opinion in their wild chase after the almighty dollar.

"It is an archaic and exploded notion that we must not let the public know anything about the inside of our business. This was possibly true under the old way when $20,000 to $40,000 was the limit of capital for any office and when the agent was expected to net 20 per cent. to 100 per cent. each year on the amount invested without any regard for the means employed. Now a less but legal rate and volume is the answer. Recent laws and the strict observance of them will eliminate many small lenders but this process of elimination is just as necessary in the small loan business as it has been found to be in the banking business. To-day in every city of any importance the combination of banking interests is quite the fashion because the small bank cannot exist in competition with the large institution and the net result is that the public and business generally is greatly benefited.

"Neither do I believe that it is necessary in the preparation of our publicity material, to submit it for the approval of everybody before it is circulated. No article could be written that would receive the O. K. of all critics. At any rate so many changes would be suggested that its original author would not recognize his manuscript. The more viewpoints the public get of every phase of our business, the better. Public interest aroused to the extent of producing discussion will rebound to our advantage, because investigation and discussion have always produced favorable results in the end.

"Neither do I favor waiting until a legislature is in session, before we launch our campaign in favor of passing the Uniform Law. Much of our work in any state where legislation is proposed, should be finished before the legislature convenes and it should be done under a well organized plan under the direction and supervision of our executive committee.

"I would like to hear from others along this line, so that we may crystallize sentiment on this important feature of our work before the national meeting in Chicago.

"N. F." CONVENTION.

With reference to the National Federation of Remedial Loan Association's convention, which will be held at Hotel Morrison, Chicago, September 19, 20, 21, Arthur H. Ham, chairman, writes as follows:

"The tentative program for the National Federation Convention provides for executive sessions on Monday forenoon and afternoon, September 19th. The sessions on Tuesday forenoon and afternoon will be public and we should be glad to have a goodly representation present from the American Association. At the Tuesday forenoon session we expect a paper by Mr. Hilborn on the progress of the uniform law during the past year, to be followed by a general discussion with special reference to the methods to be pursued in securing legislation in the future. We shall be glad, of course, to have any of your members take part in this discussion who care to do so. At the afternoon session Mr. Raby, of the Provident Loan Society of New York, will present a paper on a uniform pawnbroking law. This paper will touch upon the status of pawnbroking legislation in various states and the essentials of a uniform bill, and will be followed probably by the presentation of a draft of such a bill. We should be glad to have the American Association members join in the discussion of this paper. If further time remains, a paper will be presented at this session on personnel problems, dealing with such matters as salaries, vacations, time checks, welfare features, etc. There will probably be an executive session on Wednesday morning for election of officers and the conduct of miscellaneous business.

"It seems to me that the two general topics for the public session on Tuesday ought to be of interest to your members, and I hope that their selection will not in any way interfere with your own tentative program."

PENNSYLVANIA.

We reprint below a copy of a very interesting paper prepared by Walter Herron, Secretary Hamilton Loan Society, Philadelphia, at meeting of the Pennsylvania Association held in Harrisburg, July 8th:

'Mr. Chairman, Officers, Guests and Members of the Penna. Ind. Licensed Lenders Asso.:

"The task assigned to me to tell you of 'Keeping Overhead Expense to the Minimum,' is like the little boy who was just promoted in school. When he came home after his first session, his mother asked him how was his teacher? He replied she doesn't know anything; she had to ask me how to spell. However, gentlemen, I am going to tell you how we keep our expense to the minimum.

"We are all aware one of the largest problems of our business—any business in fact—more especially ours, owing to the small amount of gross profit allowed us by law, is our overhead expense.

"It comprises several different parts of our business, first that which we pay out in actual cash for which we receive a piece of paper called a receipt, and second, that which we might call efficiency, which we see and know is there, but cannot measure in dollars and cents in our assets and liabilities, and each of these can be divided into several different classes. We will take them up and analyze them. It may seem far from my subject, but each and every one of them has a distinct bearing on the final overhead expense.

"First, before we do business we must have supplies, such as applications, notes, etc., daily reports, and account cards. If you will bear with me for a little while, we will take them up, starting at the first thing necessary to open an office, and consider the various things for the successful operation of an office.

"Applications must be made of good strong paper, so as to last as long as you have the customer on your books, and contain all the necessary information, such as, name, address for some time past, amount of loan and payments, the kind of security, where bought, how paid, what balances, other loans, amounts, payments, balances and amount still due, and all other information taken at the office—their friends, relatives, investigators' reports, etc. That all should be on the application and not on separate pieces of paper, to be lost, and add to the cost of printing.

"We make our papers as simple as possible, and sign just as few.

"We all have a daily report to make out which requires anywhere from one-half hour up, and after it is done it is of no further use except to fill a lot of loose leaf binders at the main office, and also our individual offices. Consequently we have made a report that is a daily report first, cash or day book, and bill book or customer's ledger until the account is closed, thereby saving all unnecessary work for the main office and the cost of books for same.

"Our account cards are a complete record in themselves, and include everything from the kind and amount of se-

curity, to the final reason for charging them up to P. and L.

They include the collectors' reports, letters sent them, promises made, and is our office permanent ledger card, so you can see we eliminate all unnecessary expense for additional collection cards, office cards and the necessary posting of the account from one card to the other, and the possibility of making errors in transcribing.

Buying supplies is one branch of the office that deserves careful thought and watching. Some of us are like the fellow young, because his father was a Democrat, he was, and always would be. Simply because some one before you had been buying their supplies from Williams and Marcus or Bingham and Co., we would continue to do so. The fellow who came to see us was a jolly good fellow and we gave him our orders and told him when to come back again for more. There is only one way and that is get a little of the old woman ideas into your head and go shopping for your supplies. You will find it pays to get prices on your various needs from several printers, not only for the exact amount you want, but several different amounts, say 1m, 3m, 5m. Invariably you will find they will charge you more for the second two thousand from 3 to 5 than they did for the first from 1 to 3, and by taking them to task about it you will find they will then give you a better figure than they first offered you.

If you change your printer often you will usually save considerable on your first order. Then after he has landed you for a considerable time he will try to slip it over on you, and will continue to do so as long as you will let him.

"Buy in standard forms in large quantities, such as applications and daily reports, because they are a necessity at all times. If your form is right, you can buy sufficient to last you three or four years, at a very little over what you would pay for one year.

"Another thing gentlemen: please avoid any form which has a lot of composition, for that is the usual excuse of printers for high prices. Have an electro plate made of it, because then when you are in need of anything in a hurry, your printer can not say composition takes time and costs money. On judgment notes, of which I had an electro made, I have saved as high as $3.50 on the repeat orders.

Best Methods of Obtaining Results on Collections.

"I will change that a little, gentlemen. I will say *cheapest* methods of obtaining *best results* on collections. First, is your telephone. Second, is your mail. Third, is your collector, and the last your lawyer.

"Your telephone is always on your manager's desk and he is the best one to get quick results on collections. The cost is from four cents up on every call, and that will usually accomplish more on a slow account, than three or four calls of your collector, which usually take at least one-half hour of time and a six and one-quarter cent carfare.

"How many times do we have to send our man before we have a chance to talk to our customer? Not only that, it is cheaper because it makes our delinquent accounts spend five cents for a service charge. They do not want the trades people to know their business, especially slow business.

"The mail is the next best. We dictate a good strong letter to our clerk or stenographer, if we have one, but some of us are not quite that fortunate. Then we sit down and wait two or three days for either the customer to arrive, or the letter to come back. Then we do the same thing all over again. Why waste our clerks time having them write? Get up a good form letter that will cover almost any case, have them multigraphed for about $1.25 or $1.50 per hundred.

"We use six different forms of multigraphed letters, four on collections and two for other purposes. There is not one case where they will not suit. That is a whole lot cheaper than paying a clerk for writing them and they will give us just as good results. Of course, there are exceptions to all rules. There are some few cases where after having sent your general form letters, a personal appeal letter will get under the slow accounts' skins, and drive them in with the money. I can safely say I don't have to send three such letters a month, so you can readily see there is considerable saving.

"You will find the majority of our collectors, or outside men, for some reason or another, will not route their work so as to cover the most ground in the shortest space of time and the least carfare. They forget the P. R. T. is still issuing transfers, and many are the times they can get a transfer, make four or five calls and still use their transfer to carry them further along on their route, and they will spend more carfare or walk, which will increase our collection expense.

"Legal methods of collections are the most expensive of all. Our experience has been to keep away from the legalized grafters, with all due respect to the legal profession. They are excellent things to have around if their charges would be more in keeping with their services rendered.

"Overhead is not confined merely to what your manager turns over to you in the form of receipts, but includes also all moneys lost through not collecting his interest as the same shall fall due, so he can reinvest it in new business. Would you believe your net interest reinvested monthly, will pay you anywhere from one per cent. up as high as five per cent. on your total capital invested at the beginning of any period, all depending on the amount of capital you have in your office, and the promptness with which your manager places it in new business?

"How many of you have taken your investment at the beginning of a certain month, and figured out just what you should earn for the coming year—that is taking an average expense, etc., then compare it with what your office is doing from month to month, to see how much you are slipping or going ahead.

"This part of our overhead is caused by what we might call working conditions or efficiency, and both of these can be corrected by our main offices or persons coming from them, first by looking over our surroundings, such as the cheerfulness of our office, the lighting, the arrangement of our loan rooms and manager's room, so they all can work in harmony, with the least lost motion. If your cashier has to run away back in the corner somewhere to speak to the manager, whose room is small and dismal, and whose disposition is the same because his surroundings make him that way, to ask if Mrs. So and So can be granted an extension of a week, that all takes time and time is overhead for which we must pay. We can eliminate all this expense by moving the cashier nearer to the manager, and both somewhere near a window so they can get some of God's good sunlight to work under. Try it, and see how much steam they will get up. Oh boy! but those slow accounts will come across, and be glad to do so because the manager and cashier will have a business look about them, and not be worn out and crabbed like the sharks used to be in the days gone by. They will like your office because it is bright and airy and comfortable. They will want to send their friends for loans, and that will cut your cost of advertising, which eats up our good dollars so fast.

"We are conducting a banking business and as such we should try to make our actions and banking homes just as efficient in every way as possible. You will notice all the reputable banking houses are like palaces and it is a pleasure for their customers to come and talk over their business affairs in such places.

"In conclusion, all these things you know well, but do you all watch them as close as you should? Do you compare your expense sheets with your last month's and last year's? Do you check your office help to see if they are wasting efforts and time by having too much unnecessary entering or filing? Do you check your collectors on their work to see if they are saving as much time and carfares as they should?

"There are only two words that I would suggest you keep constantly in your mind as your slogan in your office, and they are: 'Coöperation and Harmony.'

"If your manager has the coöperation and harmony of his employes under him, and is not hamstrung by the main office or auditors, and you leave the managing of the office to him, then look to him for results. Then and then only will you be able to operate your office successfully and still be 'Keeping overhead expense to a minimum.'"

Howard Brown, of the Guarantee Loan Co. System of Philadelphia and elsewhere, added the following interesting contribution to the meeting:

"Building the personnel of an Industrial Loan Organization, like building a home must begin with the foundation. Any other method will surely meet with the same fate as the house that was built upon the sand.

"Service to the public is the rock upon which industrial loan organizations must stand, and the next step is to select the proper material with which to build. Service of the kind that makes lasting friends of all those we are privileged to serve, and to attain and maintain the desired standard of service the personnel must be made up of men and women with high ideals, and a keen sense of duty to the community. Those possessing personality, courtesy, confidence, insight, initiative and an unusual amount of common sense should be selected. A college training, while advantageous is not essential.

"Few people outside the business know that we are frequently called upon to give advice on business and domestic, as well as financial problems, and what a wonderful opportunity is offered to study that most interesting subject, Human Psychology. Volumns have been written on this subject and considerable time is being devoted to its study in our high schools and colleges, but for practical first-hand knowledge I would suggest a course with an industrial loan organization, rather than a college.

"The industrial loan business is still in its infancy and those who can see in it nothing beyond taking applications, examining tangible security, handing out money and receipting for payments, should have no place in an organization whose ideal is to serve best.

"I will pass over the building of the female branch of the personnel, as they are usually assigned to office duty, where they are at all times under the watchful eye of a trained executive, but with the men it is different.

"The very nature of the work makes it most difficult to ascertain whether or not an applicant has all the desired qualifications, and can apply them, and I know of no test to which he could be put, whereby his fitness could be determined, other than to give him a trial.

"And, if a recruit has a pleasing personality, is faithful and resourceful, but does not fully measure up to requirements, it is far better to persevere with him, in an effort to develop those latent qualities, than to pass him up before he has been given a thorough trial. Some men develop more quickly than others, however. Quite often those who do not show up so good at the start because they are a little cautious, after having gotten their bearings, turn out far better than those who start off with a flash, but are not consistent.

"No matter what training a man may have had in other businesses, nothing but practical experience will fit him for an executive position in an industrial loan organization, and unless each man shows he has the ability to advance he should not be retained.

"Team work of the personnel usually spells Success. Like a baseball organization, there are the managers, infield and outfield; also the coachers and scouts, but we differ in that we cannot have our recruits on the bench while getting their training. Or in other words directly under the personal supervision of a manager at all times.

"The infield and outfield being at times widely separated, cannot formulate a set of signals that will enable them to carry out their team work, therefore, each member must be able to work in every position, and possess that caliber of judgment that leads to success, both pecuniary and economic.

"The work takes us into the inner circles of the homes of people in many walks of life, with conditions and circumstances so varying that rules that may be followed out literally, governing each and every circumstance, cannot be formulated. It therefore, becomes necessary for men, while on the outside, to decide for themselves many questions, and here is where that good old standby, common sense, will assert itself.

"Here also is where the recruit will get his first test. He must go into the homes of customers and prospective customers, while getting his training. He will also meet critics of the business, but if he possesses the qualifications I have outlined he will be able to turn most of the critics into boosters. He will then be in line for promotion, where he will assist in directing the outside work, at the same time, familiarizing himself with the office details. However, without having gone through this first stage himself, he could never be successful in directing others.

"We must make our work our 'hobby,' be interested in our customers and take advantage of every opportunity to SHOW them we are interested in them; listen to their troubles and we will be well paid for our time. They will soon get interested in us and become "Boosters."

"We must always be on the alert, never missing an opportunity to render that kind of service that cannot be measured in terms of dollars and cents, giving as though it gave the one serving a real pleasure. Get the confidence of the public; but to accomplish this, we must have confidence in ourselves, and in each other.

"Nor should our interest end with the closing hour. Our hours away from duty are spent among the public we are serving, and ones organization is most likely to be judged by the actions of its personnel.

"We should be inspired with the service we are rendering and never miss an opportunity to talk about it to those with whom we mingle, and if enthusiastic we will find a great number of listeners. It isn't necessary to become a 'bore.' Simply mention something about the human element in the work your organization is doing, and wait for the questions, they will surely come, for there are many who do not know there is a human element in our business.

"It behooves us to keep a sharp lookout for those who have only their own interests to serve, also for disorganizers. It has been my experience that one of the latter type can in a short time, tear down an organization that it has taken years to build up, and one whose interest is not greater than his salary, will fit in like the proverbial square peg in a round hole.

"While it should be our aim to have in an organization only those who are capable of advancing to the top, it is a fact that all men are not born to be leaders, but they can all be boosters, and we need both leaders and boosters at all times. A combination of these two essential qualities is highly desirable.

"Promotion must be made for merit only. No priority system will survive. It is a case of the survival of the fittest, and "By their fruits ye shall know them."

"The building of an industrial loan organization is limited only by the extent to which its personnel grows in its ability to serve. We are on trial, and Friend Public is the judge and jury, and whether we stand or fall will depend largely on our ability to fill that place in society that has made the industrial loan business a necessary one."

Here is what R. M. Rutherford, the newly elected secretary of the National Equitable Investment Co., said about

"ADVERTISING"—PAST AND PRESENT.

Webster defines the word "Advertise": "To give public notice of, to announce publicly, as by a printed notice, etc."

This definition is not by any manner of means the modern up-to-the-minute conception of what is meant by the term.

The advertisements of the long ago were, it is true only a series of announcements.

During the first half of the nineteenth century the business world was concerned principally with solving the technical problems of production and transportation while in the latter half of the century problems of credits, selling, marketing and advertising came to the front. This was made necessary by the development of machinery, railroads, the telegraph and corporations, which flooded the world with an over supply of all kinds of manufactured articles which in turn could be disposed of only by creating a greater public demand.

Modern experiments in advertising began about the time of the Civil War. The broader theory that a demand must be created for whatever you had to sell, be that article, merchandise, service, credit or what not, gradually supplanted the old story, "that goods were made to meet a demand."

Advertising experts estimate that there are at least 20,000 general advertisers, and about 1,000,000 local advertisers in the United States to-day and that something like $700,000,000 are spent annually for printed advertisements alone, while the total cost of all kinds of advertising reaches the huge annual sum of one billion dollars.

The growth of advertising is not due alone to its individual value to the business using it; but, to a large extent to its social value, for society has learned that any human activity to be economically justifiable must produce something of value or add something new or better to the multitude of things which constitute the wealth of society. By this test, all institutions of economic endeavor either stand or fall.

Economic thinkers now place advertising in the same class as manufacturing, transportation, commerce and agriculture, as being one of the principal means of creating wealth.

The public must be informed of the existence of any article or service, and educated to its use.

The old idea that the cost of advertising places an unnecessary burden on the ultimate consumer is gradually being superseded by a realization of the fact that the consumer is not only enabled to get lower prices and better qualities, but is saved time and effort in selecting what he buys. And, by "consumer" I mean any man who uses the service rendered by the Industrial Loan Organization, for he buys the service we advertise. Advertising, therefore, assists intelligent selection, improves the quality of goods or service rendered, educates the public, creates new wants and in the end reduces the price to the consumer.

There is another feature of advertising that should appeal especially to all of those engaged in the industrial loan business. I refer to the insurance or

good will which is created in a community by the right kind of advertising.

The president of one of our large corporations recently said "We advertise extensively for the insurance of our investment, our good will and the future volume of our business." Thus, this captain of industry realizes, as we should all realize that the future success of his business will depend to a large degree, on the good will of the public, toward the particular merchandise he is placing on the market.

A new era has recently dawned for the industrial loan business, brought about by the fact that campaigns of education have in recent years caused the public to understand that this very necessary business can be and in most instances is, conducted along high and dignified lines.

Let us, therefore, see to it that our advertisements are of a high type; that they state the truth and nothing but the truth; and that nothing is written that would have a tendency to mislead the public as to the true nature of the service to be rendered.

It is only by adhering strictly to these principles that we can hope to retain the good will of the public we serve in so many essential ways.

Our business has been recognized and legalized by the action of some twenty state legislatures; but this is not enough. This movement must become nation-wide before we can congratulate ourselves that our business stands on a firm foundation; and even then this standing can be maintained only by the constant care and watchfulness of every individual licensee.

The high ideals set forth in the declaration of principles of our national organization should not only be subscribed to, but be strictly adhered to; for the future of our business may depend, more than some of us may think, upon living the principles we profess.

"Hello Bill!"
"Going to the National Convention?"
"Yes, sure I am."
"Going to take your wife, Bill?"
"I am. That is to be our outing."
"Fine. I think I'll take mine too, then."
"See you there."
"So long."

BOOM TIME FOR MONEY LENDER.

Small Loan Business Takes Spurt After War and Is "Too Good" Now.

Borrower To-day Has His Troubles.

With one group of business men in Boston, business is brisk—too much so, they declare. These men are small loan money lenders, who let money in sums not exceeding $300 and whose transactions with individual borrowers probably average less than $50.

Five or six years ago the small loan business took a severe slump and these money lenders were in the dumps. The whole number of outstanding loans to persons who had borrowed presumably because of pressing needs fell from 98,539 in 1916 to 77,438 in 1917. War prosperity for the wage-earner had begun. In that year the obligations of small borrowers to the money lenders in the state had been reduced in the aggregate from $2,569,591 to $2,335,550.

Continues Until Armistice.

The high wage era continued until the armistice. The number of outstanding loans was further reduced that year and until the end of 1919, when they numbered 69,240, with aggregate obligations of $2,176,885.

With the passing of the period of silk shirts, fur coats and diamonds for wage-earners, the business of the small loan men increased. The number of outstanding loans did not climb much, but the aggregate obligations were increased by $392,253. This indicated that people without substantial resources were beginning to feel the pinch of the general business depression, but were managing to get along without aid from the small loan money lenders. They were, however, no longer reducing small obligations already incurred. In other words, some of them had saved a little money and were able to fall back on it.

With the opening of this year, however, the trek to the money lenders grew. The number of outstanding loans has increased greatly and the amount of money out on small loans is larger than at any other time for several years. Applications for loans have become so many that most of the lenders are accommodating only their old and trustworthy customers.

A new borrower in this field of finance is likely to have considerable difficulty in obtaining a loan. This applies of course, mostly to that indigent body of borrowers whose transactions with the money lenders are classified by the latter as "unsecured loans." These persons give notes that may or may not be indorsed. Usually, on notes of this class, the indorser is as financially weak as the maker of the note. Borrowers of secured loans, in which the security usually consists of the household furniture, are receiving more consideration from lenders than those who seek unsecured loans, but most of the lenders are not looking for much new chattel mortgage business, under present conditions.

Dislikes to Foreclose.

Notwithstanding tales of callous "money sharks" brutally rolling baby from the cradle and seizing the latter because of non-payment of interest on a loan secured by it and other domestic articles, money lenders do not like to foreclose on chattel mortgages, especially when the taking of the security means the destruction of the home. Sentiment may or may not influence the decision of a money lender who has exhausted everything, including his patience, in trying to get a borrower to pay at least some of the interest due, to say nothing of something on the principal. The money lender who forecloses on a lot of furniture usually cleans up considerably less than the amount due him on the mortgage note. There are to be considered the fees of legal foreclosure, the expense of a public auction, etc. Hard-headed business sense, therefore, prompts the lender to go slowly in foreclosing.

In some instances, foreclosure seems to be the only remedy. It means, of course, hardship and humiliation to the family as well as usually a financial loss to the holder of the mortgage. It is always a painful process.

Not long ago Charles F. Hale, a Boston constable, was given several mortgages on household furniture for foreclosure. To go ahead with the work would have been within the scope of Mr. Hale's official duties and rights, but he had no stomach for the job. He knew that to foreclose the mortgages would be to dismantle several homes, to bring suffering and privation to members of the families. He told Frank H. Pope, state supervisor of small loans, how he felt about it and declared that he would rather surrender his commission than foreclose the mortgages.

Mr. Pope agreed with Constable Hale that every effort should be made to spare the families the pain and disgrace of having their furniture taken away. He asked the holders of the mortgages to call at his office at the State House and talk the situation over. The lenders came and showed that the borrowers on the mortgages had, in every case, paid little, if anything, on the principal of the mortgage notes; that while in some instances interest payments had been made, in others no such payments had been offered.

Letters to Borrowers.

These circumstances indicated to Mr. Pope that persons who had been unable to meet partial payments would not be likely to raise money enough to forestall the threatened foreclosure proceedings. Probably the mortgagers had become discouraged and discouragement had led to indifference and to a place where the borrower little cared what happened, he reasoned.

Mr. Pope sent a letter to each unhappy borrower, offered his advice as to how foreclosure might be avoided. He asked the mortgagers to call at his office and talk things over. Most of them accepted the invitation and readily agreed to do what they could to prevent the disaster of foreclosure. As Mr. Pope puts it, "they took heart, evidently feeling that there was some one, after all, who took a genuine interest in them and their distressing situation."

Mr. Pope went over the affairs of each borrower carefully, suggesting how he could save perhaps as little as $2 a week, which could be applied toward payment of the accumulated debt and which would at least show the intention of the borrower to give the lender a square deal. Sometimes the family would cut out the telephone as a thing not absolutely necessary in the home; a man would agree to smoke fewer cigars each day; the whole family would visit the movies not so frequently, etc.

In some instances, the supervisor arranged to have the loan taken over by some other lender, thus relieving the tension that had strained relations between the lender and the borrower in the original transaction.

An outgrowth of that situation is a rule of the office of the supervisor which requires lenders not to undertake foreclosure proceedings until they submit all the facts in the cases to the office of the supervisor. If the supervisor is convinced that a lender is justified in foreclosing, he gets into communication with the delinquent borrower and suggests a feasible plan whereby the debtor

may satisfy the creditor and thus protect his home and his family. This work has become an established activity of the office of the supervisor and it works so well that foreclosures on household furniture are now rare.—*Boston, Mass., Herald, June 26, 1921.*

AUTO FINANCIERS ORGANIZE.

Establishment of Uniform System of Selling Commercial Paper Association's Aim.

With a view of establishing a uniform system of buying and selling commercial paper, more than seventy-five representatives of automobile financing organizations from all parts of Indiana attended a banquet at the Columbia Club last night and organized the Indiana Finance Association. Fred E. Barrett was elected chairman of the association; Cuppy Stratton, of Linton, vice-chairman; George A. Kuhn, secretary, and John W. Twitty, treasurer.

John B. Perlee, of Chicago, secretary of the National Finance Association, told of the workings of the Chicago association and invited the new association to become affiliated with it.

Told to Set High Standard.

Robert H. Tyndall made a brief talk on service. He said that the old days of order taking are past and unless an organization keeps its service up to the highest possible standard the other firm will get the business.

Seven applications for membership were received, which brings the total membership to forty-six. Thirty more applications are expected within the next few days. It was decided to hold the charter membership open for two weeks. The constitution was read and adopted, after two amendments were made.

Following the banquet, Mrs. Helen Warrum Chapelle sang several selections.—*Indianapolis Star.*

MARYLAND.

The Maryland Association held its annual meeting at Hotel Emerson, June 14th. Vice-chairman Moss was called to fill the chair due to the absence of chairman Mattingly.

By motion, the reading of the minutes of last meeting were dispensed with.

The following answered present to the roll call: Chesapeake Loan Co., Commercial Guarantee Co., Community Finance Service, Coöperative Loan & Investment Co., Household Loan Co., National Equitable Investment Co. of Baltimore, National Equitable Investment Co. of Cumberland, People's Loan Society, Reliance Guarantee Co., Surety Guarantee Co., Surety Loan Co., and Union Loan Co.

A report of Chairman Mattingly was read by the secretary and after a motion that same be accepted, a motion was carried that said report be spread on the minutes and that the secretary send Chairman Mattingly a letter of thanks and expressing regrets that he could not be present. Mr. Mattingly's report was as follows:

"Fellow Members of the Licensed Lenders Association of Maryland:

"A year has passed while I have had the honor to be your chairman. A year of pleasant associations and coöperation. I regret that I cannot be with you to renew old friendships and make new acquaintances; my thoughts are with you, and my greatest wish is for the success of this, our Coöperative Association, upon which the success of our business depends.

"The coöperative movement is spreading rapidly over the entire world, and year after year it has been crowned with unfailing success, until to-day the coöperative societies are said to embrace one-third of the entire populations.

"Coöperation develops in the mind of man a new spirit; it makes him a coöperator, it teaches people to work together for their mutual benefit, and that the concerns of one is the concern of all. For the past few years we have been banded together as real friends, determined to be loyal to each other, and to improve the small loan conditions of Maryland, and of America.

"As time goes on we look back with pride to a record of progress, and with our watchword, 'Forward ever Forward' we face the future, full of confidence, not unmindful of the possibilities and great work that must yet be accomplished by our Association.

"During the past year the Commissioner of Revenue at Washington ruled, that those engaged in the small loan business, and taking assignments of salary as security were pawnbrokers, and must pay a federal license of one hundred dollars per year.

"Through the efforts of our national body this order was later reversed, and the amounts paid returned to the lenders, thus saving many times the amount of the annual dues to our state and national association. Many of our members have taken membership in the great Merchants and Manufacturers Association of Baltimore, and I hope will take an active interest in all of their many activities that is good for the welfare of our city and state.

"To all new members we bid a welcome. Not that meaningless unfelt greeting, but that sincere, way down deep sort of welcome that wells up from those, who in real helpfulness seek to serve their fellowman.

"I beg to take this opportunity to thank you for having had the honor to serve as your chairman, and assure you of my heartiest support at all times."

The secretary's report was very brief, due to the short time he had been in office and incomplete record turned over to him by his predecessor. He reported seventeen members in the State Associations and all seventeen being paid up in both the State and National Associations. Have lost one member due to the Globe Loan Co. having gone out of business.

Treasurer reported cash balance on hand of $358.42, with all bills paid. By a motion the secretary was instructed to send him a letter of thanks and spread his accepted report on the minutes of the meeting. His report was as follows: Cash on hand May, 1920 $135.22, with dues collected amounting to $542.50, making a total of $677.72. Disbursements of $46.00 for 1920 banquet, Hougham and Mattingly expense to last National Convention as delegates $187.62, cost of meeting rooms for the year at Hotel Emerson, $25.00, multigraphing, certificates, stationery and stamps, $60.68, making total of $319.30, and leaving cash balance of $358.42. Chairman of the Executive Committee reported that all was well and nothing further.

Membership Committee reported progress.

Special Committee on Entertainment reported progress and requested all present to be a little patient and assured them that all would be well when the time came.

A motion was carried that minutes of all meetings be sent to all members, executive committee and to the secretary of the National Association.

A resolution that all dues be sent direct to the secretary for both the State and National Association membership dues with the exception of any National dues that may be collected by Mr. De Weese, so that said state secretary would have a complete record of such dues. After a lively discussion on different sections of the revised Constitution and By-laws and several corrections and changes, same was adopted by reading each paragraph separately and then voting on changes if any were suggested.

A motion that all members receive a copy of the revised Constitution and By-laws was carried. Field Secretary H. G. DeWeese, reported he expected to land at least one more member for us, and had hopes of landing several more.

There being no further business to report on, the meeting was then declared open for nomination of officers, and Mr. Wick nominated H. T. Mattingly, E. P. East, J. D. Coldrick, H. H. Larsen, E. E. Hougham, C. H. Watts, and Wm. Young to act as the seven members of the Executive Committee, as provided for in the revised By-laws. All seven were elected unanimously. Mr. G. W. Kehr then nominated H. T. Mattingly, E. E. Hougham and H. H. Larsen to go as delegates to the National Convention at Chicago for Sept. 22d, 23d and 24th, as delegates from this association, and all three were elected unanimously. This closed the business meeting and all present, 28 in number, prepared to enjoy the banquet and entertainment as promised by the Entertainment Committee when they reported earlier in the evening. Immediately preceding the banquet, the Executive Committee met and elected H. T. Mattingly as chairman, E. P. East as vice-chairman, J. D. Coldrick as treasurer, H. H. Larsen as secretary, E. E. Hougham as chairman of the Executive Committee.

All present enjoyed the banquet very much. Same was presided over by vice-chairman, V. D. Moss. Mr. Moss was the first speaker and spoke at length on the evils of doubling up, and stated in part that if all licensees did not do all in their power to stop this evil, that it was certain to mean the end of loan business in Maryland. His talk brought others on their feet to express their views, and when Mr. E. P. East called for volunteers to comprise a committee to get together and try to work out something that would stop this evil, and present same to the members at the next meeting, Messrs. Oliver, Wick, Larsen and Hougham, volunteered. Mr. H. G. DeWeese then talked on new members, coöperation, and also on doubling up and he also entertained us with some of his stories.

Mr. G. W. Kehr gave us a very inter-

esting talk on loan conditions of to-day and other systems of conducting the loan business, and also spoke on coöperation and its benefits to all.

Howard Bryant was the last speaker, and his talk, principally concerning the doubling up evil and its effect on the law-makers was well worth waiting for and I believe all of those present were impressed. A few stories were also added by Mr. Bryant.

This closed a very successful meeting and banquet, and our only regrets being the absence of our chairman and five members.

H. H. LARSEN,
Secretary.

"SKIPS."

The Zanesville Provident Co., Zanesville, Ohio, will appreciate any information leading to the location of the following "skips":

Walter Porter, age, 45; height, 5 ft. 8 in.; weight, 155 lbs., black hair; occupation, cook; wife, Fanny (invalid).

Luther Painter, age, 36; height, 5 ft. 10 in.; weight, 150 lbs.; occupation, insurance; wife, Grace.

T. E. Pierce, age, 35; height, 5 ft. 8 in.; weight, 140 lbs.; sandy hair; occupation, laborer; wife, Etta.

A. J. Kernan, age, 25; height, 5 ft. 8 in.; weight, 150 lbs.; occupation, drayman; single; former home, Zanesville.

Roland Dickerson, age, 25; height 5 ft. 9 in.; weight, 140 lbs.; brown hair; occupation, millworker; wife, Edna; former home, Zanesville.

John E. Neff, age, 35; height, 5 ft. 10 in.; weight, 145 lbs.; sandy hair; occupation, barber; wife, Tresera; former home, Zanesville.

John Davis (colored), age, 48; height, 6 ft.; weight, 170 lbs.; black hair; occupation, laborer; wife, Julia (deaf); former home, Birmingham, Ala.

The last information they had of John Davis, he was in Alabama, his former home.

If there is any further information that any member desires, they will gladly give it.

AUTO SECTION.

Carbon all cleaned out.
All cylinders hitting.
Carbuerator adjusted perfectly.
Gas tank full.
And we are all ready to start for the National Convention A. I. L. L. A. Chicago, September 22-23-24, 1921.

The present indications point, with a certainty, to the National Convention at Chicago, as one of the biggest efforts ever made by the Licensed Lenders. The business features will cover every angle of the loan business. The discussions will be snappy, and full of just what you want to know about. The minds of the speakers, who are to be on the program, are prolific with ideas for the good of the loan business. There will be also, enough humor and light entertainment from the platform to balance and make the convention one of pleasure as well as one of instruction. The social side of the convention is being so well planned that the attending loan men, their wives and their friends will be taken charge of, and from the time they reach headquarters at the Drake Hotel until the time they make their departure, it will be their pleasure to enjoy the best that the Chicago loan men can give. The many places of interest in Chicago will be shown without stint. In fact, we shall all wonder how it could be put over so big.

The value of a National Convention cannot be overestimated. For there are so many things occurring to inspire and instruct, and bring out the best there is in the individual, that one hardly realizes the contact until it is over, and he reflects on the good it has done him.

The Chicago boys are surely planning splendid things for us and will feel a keen disappointment if we do not accept them. They will be ours for the taking and the benefits will be great and lasting. The many, many times that the things said and done at a National Convention will come up in our minds, during the coming year of business, will be a source of extreme satisfaction. When one hears a good lecture or sees a good show, he frequently thinks and speaks of it. The same is true of a National Convention, only more so. And the profit is more direct, for it has to do with the business in which we are engaged.

A. E. PARIS,
Publicity Committeeman, Illinois Ass'n.

GEORGIA.

The Georgia Licensed Lenders Association was recently organized in Atlanta with A. B. Madison chairman, and Ed L. Wight, secretary and treasurer.

The membership includes from Atlanta: Citizens Loan Co.; City Investment Co.; Fulton Loan and Discount Co.; Security Investment Co.; Surety Loan Co. and Wight Investment Co.

From Savannah, Guarantee Loan Co., an application for affiliation with the A. I. L. L. A. is now pending with the National Executive Committee.

CONVENTION SPECIAL.

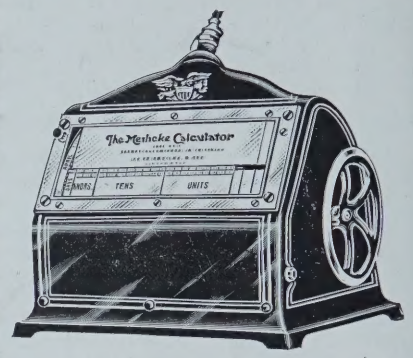
L. V. Busche, Canton, Ohio, with his 235 pounds of "pep stuff" and a smile that never comes off, will be at Chicago to lead new loan songs and otherwise make things lively.

MORE CONVENTION.

Other speakers expected to address the National Convention in Chicago in September included: Mayor Thompson and Col. Abel Davis, Vice-President of the Chicago Association of Commerce.

Two important addresses scheduled after the banquet, Friday evening, September 23, will be given by Judge Cavanaugh and Arthur H. Ham. No one in the U. S. A. can speak with greater knowledge, experience or authority on the movement to improve small loan conditions in this country than Mr. Ham, who for a number of years was director of the Division of Remedial Loan of Russell Sage Foundation, and is now vice-president of the Provident Loan Society, New York.

An Unusual Offer



Realizing that some Industrial Loan Offices now equipped with our small Interest Calculator should be using the larger **TIME** and Interest Calculating Machine The Meilicke Calculator Company makes the following offer:

A CREDIT EQUAL TO THE FULL PURCHASE PRICE OF ANY SMALL CALCULATOR WILL BE ALLOWED IN EXCHANGE FOR THE TIME AND INTEREST CALCULATING MACHINE.

For instance, if you have been using a $40 small device (for any length of time) we will allow you $40 towards the purchase of the large machine. In this way you will be getting a $175 machine for $135.

Kindly bear in mind that—

The Machine computes elapsed TIME automatically, saving much time.
It eliminates all chance of error in the figuring of time.
It gives you complete answers for ONE FULL YEAR.
It will never wear out.
If a change is made in the law a new chart is all that is required.
It impresses the customer and eliminates arguments.
It is the cheapest in the long run.
Once tried you will never be satisfied with the small device.

This offer is good only till the Convention meets in Chicago, September 22d to 24th.

Should you be in doubt as to this change we will forward the Machine to you and you may have the privilege of using it for **60 days at our expense.** We are sure that you will realize that this efficiency machine is indispensable to the success of your office. GUARD WELL YOUR INTEREST DEPARTMENT. MACHINES IN STOCK AT ALL THE LEGAL RATES.

The William I. Marsh Co.
Meilicke Efficiency Devices
608 S. Dearborn Street, Chicago, Illinois

APR 8 1922

INDUSTRIAL LENDERS NEWS

Official Organ American Industrial Licensed Lenders Association Which Is a Member of the Chamber of Commerce of the U. S. A.

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CONVENTION HOTEL RATES.

We submit below information relative to hotel rates for the National Convention of the American Industrial Licensed Lenders Association, which will be held at the Drake Hotel, September 22, 23, and 24. From this list of hotels and rates, all who are expecting to attend the convention can probably find accommodations which will be consistent with their pocketbooks. All of these hotels are recommended by the local committee in charge. Make your reservations now, because Chicago is noted for the numerous conventions being held there constantly.

Drake. Capacity 1,200. Michigan, Walton and Lake Shore Drive. European plan. 40 rooms at $5.00 a day, ¾ bed. 150 rooms at $6.00 a day, ¾ bed. 40 rooms at $7.00 a day, ¾ bed. 200 rooms at $8.00 a day, contain 2 ¾ beds. Meeting rooms to accommodate up to 1,000 persons. Special banquet facilities.

Auditorium. Capacity 500. Michigan Blvd. and Congress St. European plan. Single room, without bath, $2.50 and up. Double room, without bath, $4.00 and up. Single room, with bath, $5.00 and up. Double room, with bath, $7.00 and up. Meeting rooms to accommodate from 10 to 1,000 people.

Brevoort. Capacity 500. 120 W. Madison St. European plan. Single room, without bath, $2.50 and up. Double room, without bath, $4.50 and up. Single room, with bath, $3.50 and up. Double room, with bath, $5.50 and up. Two connecting rooms with bath, two persons, $8.00 per day and up.

Chicago Beach. Capacity 1,350. Hyde Park Blvd. (51st St. on Lake Shore.) European plan. Single room, without bath, $3.00 per day; $17.50 per week and up. Single room, with bath, $4.00 per day and up; $21.00 to $34.00 per week. Two-room suites, with bath, 2 persons, $7.00 per day and up; $45.50 to $80.00 per week. Three-room suites, 2 baths, 3 persons, $110.00 to $135.00 per week. Each additional person in above rooms, $1.00 per day. Meeting rooms to accommodate from 10 to 250 people.

Congress and Annex. Capacity 1,500. Michigan Blvd. and Congress St. European plan. Single room, without bath, $3.00, $4.00 and $5.00. Single room, with bath, $4.00, $5.00, $6.00, $7.00 $8.00 and $9.00. Double room, with bath, $7.00, $8.00, $9.00, $10.00 and $12.00. Two connecting rooms with bath, 2 persons, $9.00, $10.00, $12.00, $15.00 and $18.00. Meeting room to accommodate from 10 to 1,000 people.

Cooper-Carlton. Capacity 500. Hyde Park Blvd. at 53d st. European plan. Single room, with bath, $3.00 to $7.00. Double room, with bath, $4.00 to $8.00. Meeting rooms to accommodate from 50 to 600. Special attention given to banquet parties.

Edgewater Beach. Capacity 600. 5300 Block Sheridan Road. European plan. Summer: Single room, with bath, $6.00 to $8.00. Double room, with bath, $8.00 to $12.00. Two-room suite, with bath, $15.00. Two-room suite, with sun parlor, $25.00. Meeting rooms to accommodate from 10 to 400 people.

Elms. Capacity 150. Fifty-third St. and Cornell Ave. European plan. Single room, without bath, $2.00 and up. Double room, without bath, $3.00 and up. Single room, with bath, $2.50 and up. Double room, with bath, $5.00 and up.

LaSalle. Capacity 1,800. Madison and LaSalle Sts. European plan. One person, per day: Room with detached bath, $2.00 and $2.50; room with private bath, $4.00, $5.00 and $6.00. Two persons, per day: Room with detached bath, $3.00, $3.50, $4.50; room with private bath, $5.00, $6.00, $7.00 and $8.00. Two connecting rooms with bath. Two persons, $6.00 to $10.00. Three persons, $7.00 to $12.00. Four persons, $8.00 to $12.00. Meeting rooms accommodating from 10 to 1,000 people.

Lexington. Capacity 750. Michigan Blvd. and 22d St. European plan. Single room, without bath, $2.00 and up. Double room, without bath, $3.00 and up. Single room, with bath, $3.00 and up. Double room, with bath, $4.00 and up. Two meeting rooms, seating 200 to 1,000 people. Special inducements offered for convention headquarters.

Morrison. Capacity 1,000. Clark and Madison Sts. Europeon plan. Single room, with shower bath, $3.00 and up. Single room, with tub bath, $3.50 and up. Double room, with shower bath, $5.00 and up. Double room, with tub bath, $6.00 and up.

New Southern. Capacity 350. Michigan Blvd. and Thirteenth St. European plan. Single room, without bath, $1.50 and $2.00. Double room, without bath, $3.00, $3.50 and $4.00. Single room, with bath, $2.50, $3.00, $3.50 and $4.00. Double room, with bath, $4.00, $4.50, $5.00, $5.50 and $6.00. Meeting rooms to accommodate from 10 to 150 people.

Palmer House. Capacity 1,000. State and Monroe Sts. European plan. Single room, without bath, $2.00 to $3.00. Double room, without bath, $3.50 to $4.00. Single room, with bath, $3.00 to $5.00. Double room, with bath, $5.00 to $7.50. Meeting rooms to accommodate from 75 to 300 persons. Special inducements offered for convention headquarters.

Sherman. Capacity 1,500. Clark and Randolph Sts. European plan. Single room, without bath, $2.50 and $3.00. Double room, without bath, $4.00. Single room, with bath, $3.50 to $6.00. Double room, with bath, $5.00 and $10.00. Two connecting rooms with bath. Two persons, $6.50 to $10.00; three persons, $8.00 to $12.00; four persons, $9.00 to $16.00. Meeting rooms to accommodate from 50 to 1,000 people.

Sisson. Capacity 500. "Fronting Lake Michigan," 1725 E. 53d St. European plan. Single room, with bath, $4.00 to $10.00. Double room, twin beds, with bath, $6.00 to $15.00.

Virginia. Capacity 450. Rush and Ohio Sts. European plan. Single room, without bath, $2.50 and $3.00. Double room, without bath, $3.00 and $4.00. Single room, with bath, $3.00. Double room, with bath, $4.00 and $6.00. Two- and three-room suites, $5.00 to $10.00. Meeting rooms to accommodate 500 people.

BRING YOUR WIFE.

Loan men attending the National Convention should plan to bring their wives, as special preparations for their entertainment is being made. The interest of the wife in her husband's business is always conducive to his success. A thorough knowledge of it fortifies her so she may defend and uphold it. Nothing could make her more enthusiastic along these lines than to attend a national convention of Licensed Lenders.

The wife occupies a very advantageous position in her social activities, clubs and church, to create a most favorable impression for the loan business. If she be possessed of facts, and present them intelligently when occasion arise, she will be a strong factor in molding the minds of those with whom she comes in contact, to recognize the virtues of our business.

Delegate her a committee of one for publicity purposes, and acquaint her with details so that she may be ever on the alert to coöperate with her husband in the business in which he is engaged.

Bring her to the convention, let her see what a fine bunch of fellows her husband claims as his friends and associates. Take your wife into partnership, and the results will be pleasing and profitable. We must not overlook the part that our wives and families can agreeably assume in bringing about a favorable public sentiment.

Every time an explanation of our business is made to a serious person by friend wife, it will go farther and stick longer than a column ad in a newspaper which would cost $50.00 for one issue.

Take the $50.00 and bring your wife to the convention, and she will talk for your business three hundred and thirteen days in the year. A. E. Paris,

Publicity Committeeman, Ill. Ass'n.

INDUSTRIAL LENDERS NEWS

Established 1916.

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Correspondence and items intended for publication should be addressed to Geo. W. Kehr, 204 Chestnut St., Harrisburg, Pa.

NATIONAL OFFICERS, 1920-1921.

Chairman, C. H. Stratton, Sullivan, Indiana.
Treasurer, J. H. Aufderheide, 860 Lemcke Annex, Indianapolis, Ind.
Secretary, G. W. Kehr, 204 Chestnut St., Harrisburg, Pa.
Field Secretary, H. G. DeWeese, 1948 N. High St., Columbus, O.

VICE-CHAIRMEN.

Conn.—T. C. O'Brien, 113 Church St., New Haven.
Ga.—A. B. Madison, 103 Central Bldg., Atlanta.
Ill.—Albert Snite, 58 W. Washington St., Chicago.
Ind.—Robert Spencer, Jr., Grant Saving & Trust Co., Marion.
Iowa.—T. J. Harrison, 115½ E. 4th St., Waterloo.
Md. H. T. Mattingly, 322 Equitable Bldg., Baltimore.
Mich.—F. E. Stroup, 507 Commercial Bank Bldg., Grand Rapids.
N. J.—J. W. Whitstone, Frost Bldg., Plainfield.
Ohio.—C. C. Woodley, 229 Spitzer Bldg., Toledo.
Pa.—E. P. East, 175 Fifth Ave., New York.
R. I.—W. G. Wood, 268 Westminster St., Providence.
Va.—W. F. Bradshaw, 105 W. Main St., Norfolk.
W. Va.—Wirt V. Hawkins, 301 Wheeling Bank & Trust Bldg., Wheeling.
Unorganized States.—R. M. Rutherford, 175 Fifth Ave., New York.

COMMITTEE CHAIRMEN.

Auditing, R. M. Rutherford, 175 Fifth Ave., New York.
Finance, J. H. Dyer, 404 Commerce Bldg., Columbus, O.
Law, F. R. Hubachek, Esq., 610 McKnight Bldg., Minneapolis, Minn.
Legislation, C. H. Watts, 1011 Chestnut St., Philadelphia, Pa.
Membership, L. T. Baker, 109 N. Dearborn St., Chicago, Ill.
Publicity, W. G. Wood, 268 Westminster St., Providence, R. I.

The National Council is composed of the National Officers, Vice-Chairmen, and Committee Chairmen.

CONVENTION NOTES.

The city of Chicago, where the next National Convention is to be held, is deserving of special mention from many angles other than the attraction of the convention itself.

To some who make an occasional visit in a business way, the city may impress them as just a big, noisy, hot town, and not in any way an ideal place for an outing. But Chicago has many places of entrancing interest which make it an attractive and pleasant place as a vacation point. Its location on the shores of the beautiful Lake Michigan, make the sultriest weather most pleasant. Fanned by the cool breezes of the lake, nowhere can be found the advantages it affords for the excursion trips by steamer, for either short or long distances.

Twenty-five miles of magnificent boulevards, bordered by well kept lawns and blooming flowers, wafting the sweetest perfumes to the nostrils of the passerby, wind along the enhancing lake shore, forming a most beautiful highway which beckons and invites the indulgence of discriminating and particular motorists.

Chicago has many parks and country clubs, in which are provided excellent facilities for golf and tennis, and numerous horticulture gardens.

Chicago holds a most enviable position with regard to baseball, the great American game we all love. Probably no other city in the world holds more interesting contests, before such enthusiastic fans. Both the National and the American leagues have clubs in Chicago, and seldom during the baseball season does one visit the city without finding one of the teams playing a home engagement.

Add to these things the many places of interest which lack of space permits no mention, and you have a wonderful place in which to spend a few days of vacation.

The program of the convention holds a most inviting array of men rich in experience, in our particular business, as well as other lines, whose judgment and broad business contact given freely to the convention will be of undeniable value to every loan man. The solid business of the convention, balanced with the entertainment, will make a well rounded-out meeting, and to him who misses it, *like time*, it will never return.

The planning to be present at the convention should be viewed as a privilege, and in no way a task.

A record attendance is predicted.

The largest and most beneficial convention in the history of the business is going to be held **September 22-23-24, 1921.**

A. E. PARIS,
Publicity Committeeman, Ill. Ass'n.

NATIONAL FEDERATION CONVENTION PROGRAM.

At the time this is written, the program arranged for the Annual Convention of the National Federation of Remedial Loan Associations, which will be held at the Hotel Morrison, Chicago, September 19-20-21, is as follows:

MONDAY, SEPTEMBER 19, 10 A. M.
Executive Session.

Report of chairman, Arthur H. Ham, New York.

Report of secretary-treasurer, J. E. Ryan, Detroit, Mich.

The Future of the Remedial Loan Society. Papers by George E. Upson, Utica, N. Y.; A. L. Whitmer, Sioux City, Ia.; Ralph C. Glidden, Minneapolis, Minn.; William F. Davis, Newark, N. J.

General discussion of above topic, to be opened by Albert C. Auger, San Francisco, Cal.

MONDAY, SEPTEMBER 19, 2 P. M.
Executive Session.

The Future of the National Federation. Papers by Chas. F. Bigelow, Providence, R. I.; John E. Ryan, Detroit, Mich.; D. S. Coffey, St. Paul, Minn.; R. M. Rutherford, Louisville, Ky.

General discussion of above topic, to be opened by Thomas J. Reid, Boston, Mass.

MONDAY, SEPTEMBER 19, 8 P. M.
Meeting of Executive Committee.

TUESDAY, SEPTEMBER 20, 9:30 A. M.
Public Session.

Members of the American Industrial Licensed Lenders Association are specially invited to attend the morning and afternoon sessions on Tuesday.

Progress of the Uniform Law, Walter S. Hilborn, Acting Director, Division of Remedial Loans, Russell Sage Foundation.

Mr. Hilborn's paper will be followed by a general discussion of the topic, with special reference to the methods to be employed in securing the passage of the uniform law in other states.

TUESDAY, SEPTEMBER 20, 2 P. M.
Public Session.

A Uniform Pawnbroking Bill, R. Cornelius Raby, New York. Mr. Raby's paper, which will deal with the essentials of a uniform pawnbroking bill and will include a tentative draft of such a bill, will be followed by a general discussion in which all present are invited to take part.

Personnel Problems: Salary Standards, Vacations, Welfare Features, Etc., F. A. Phillips, Rochester, N. Y.

TUESDAY, SEPTEMBER 20, 8 P. M.
Meeting of Executive Committee.

WEDNESDAY, SEPTEMBER 21, 9:30 A. M.
Executive Session.

Election of officers.
Miscellaneous business.

Concerning entertainment and hotels, Albert P. Smith, chairman of the Illinois Association, writes:

"The letter of the Benson Entertainment Company of Chicago, which they sent to you, received.

"This association understands that they are to furnish all the entertainment and we are proceeding accordingly.

"I read your letter to Mr. Baker, on the Drake Hotel.

"You or any of the other boys must not get the impression that the Drake is too swell for us.

"It is not necessary for any of the members from out of town who come here for the convention, to stop at the Drake. They can stop at any hotel and attend the business sessions and the banquet at the Drake.

"However, I will advise any out-of-town member to stop at the Drake and pay the dollar or two extra than to stop at any of the 'Loop' hotels.

"I will guarantee you or any one else a good night's sleep at the Drake, but I will not do it at any of the other hotels.

"I am sure you will agree with me after the convention is over."

VIRGINIA.

The semi-annual meeting of the Virginia Industrial Lenders Association was called to order at 2:45 p. m., in the Old Colony Club, Hotel Richmond, Richmond, Va., July 15.

At the request of Chairman Bradshaw Mr. East presided.

Members present included the following: Citizens Loan Co., Norfolk, Va.; Citizens Loan Co., Richmond, Va.; Empire Loan Co., Norfolk, Va.; Norfolk Security Co., Norfolk, Va.; National Equitable Investment Co., Norfolk, Va., and Home Guarantee Co., Richmond, Va.

Visitors and guests: Mr. Pope, representing Beneficial Loan Society of Norfolk and Richmond; Mr. Shumake; Mr. H. G. Deweese, National Field Secretary; Mr. J. Vaughn Gary, of Legal Aid

Society, and Mr. Tyler, of Legal Aid Society.

A few short addresses were made prior to the meeting by Mr. Pope, Mr. Shumake, Mr. Gary, Mr. Tyler, and Mr. Deweese.

Minutes of previous meeting were approved as sent out.

Treasurer's report: $137.00 in treasury. No outstanding bills. Two bills previously paid by treasurer for stationery and die were approved.

Motion was regularly made, seconded and carried that a vote of thanks be given the entertainment committee for the meeting arrangements made.

The chair then announced that nominations for membership were in order.

Mr. Edge proposed Beneficial Loan Society of Norfolk, Va.; Beneficial Loan Society of Richmond, Va.; Harris Investment Co., Norfolk, Va.; Norfolk Investment Co., Norfolk, Va., and Seaboard Security Co. of Richmond, Va. Vote was then taken. National Equitable Investment Co. not voting with the exception of Norfolk Investment Co., Harris Investment Co. and Seaboard Security Co. All were elected by vote of the majority.

Mr. Bradshaw was nominated as a committee of one to report on loan conditions at our next meeting. Mr. Keiss and Mr. Bradshaw also to act on the committee.

Motion was regularly made, seconded and carried that Mr. Rutherford's paper written by Dr. Frank Crane be sent out with the minutes of the meeting.

There being no further business the meeting adjourned at 5 p. m.

MASSACHUSETTS.

The Massachusetts Industrial Lenders Association was organized at a banquet given at the Old Colony Club, Hotel Bellevue, Boston, Mass., Wednesday, Aug. 3, 1921.

Edgar P. East, New York, was elected temporary chairman and started things going at once by requesting W. E. Pool, of Boston, who was the leader in calling the lenders together to organize, to address the gathering, stating the purpose the meeting was called for and the advantages to be gained by organizing. He was followed by Frank H. Pope, supervisor of Loan Agencies in this commonwealth, a man who has made a study of the loan business in all its phases. Hamilton G. DeWeese, National Field Secretary, also addressed the meeting in behalf of both the new State Association and the American I. L. L. Association.

R. M. Rutherford, secretary of unorganized states, read a paper by E. F. Moore, on the benefits of organization, which was very good, also the constitution and by-laws adopted in Maryland and one or two other states. It was voted to accept both as read.

Membership. It was voted to accept into the association the different members as read from the list, the number being eighteen.

Election of executive committee of seven members includes the following: W. E. Pool, 63 Court St., Boston, Mass., chairman; Geo. A. Ingalls, 181 Tremont St., Boston; M. R. Conley, 176 Liberty St., Lynn, Mass.; D. J. Wholey, 7 Merrimack St., Lowell, Mass.; W. J. Baldwin, 262 Washington St., Boston, Mass.; H. J. Desormaux, 96 William St., New Bedford, Mass.; Edgar P. East, 175 Fifth Ave., New York, N. Y.

Election of officers: Chairman, W. E. Pool; vice-chairman, D. J. Wholey; secretary, H. J. Desormaux; treasurer, G. A. Ingalls.

It was voted to ask Mr. East to furnish and obtain an association seal, stationery, etc.

It was voted to hold the meetings on the third Thursday of the month at 1 p. m., and for the executive commitee to decide upon the place of meeting.

It was voted to give the chairman power to make application for membership in Boston Chamber of Commerce in the name of the Massachusetts Industrial Lenders Association.

W. E. Pool, chairman of the association, was elected delegate to the National Convention to be held at Chicago, September 22, 23 and 24.

A letter of thanks has been forwarded to Mr. Pope for the masterly manner in which he addressed the Association and the different suggestions he gave to the members.

After a lot of discussions on the merits and the benefits to be derived from the new lenders' association the meeting adjourned, with all members very enthusiastic over the banquet and meeting.

And note what the Boston papers said about the meeting:

Urges Loan Men to Drive Out Sharks.

SUPERVISOR POPE ADDRESSES NEW ASSOCIATION.

Representatives from twenty-five industrial loan companies throughout the state met yesterday at the Hotel Bellevue and organized the Massachusetts Industrial Lenders' Association, for the announced purpose of protecting the public against usury and extortion in the borrowing of small loans and to coöperate with the legal authorities and all licensed small loan brokers in the proper conduct of business.

Following a luncheon at 1 o'clock and addresses by Frank H. Pope, state supervisor of loan agencies, and H. G. DeWeese, Field Secretary of the American Industrial Licensed Lenders Association, a constitution and by-laws were adopted, an executive committee was elected, and it was voted to affiliate with the national oranization.

Supervisor Pope spoke of the disrepute which has been attached to the small loan business because of the operation of "loan sharks" or unlicensed brokers, and said that a strong organization of licensed brokers could do much to drive the "shark" out of business. Other speakers were W. E. Pool, of Boston, and Edgar P. East, of New York.

Members of the executive committee were elected as follows: Chairman, W. E. Pool, of Boston; vice-chairman, Daniel J. Wholey, of Lowell; secretary, H. J. Desormaux, of New Bedford; treasurer, George A. Ingalls, of Boston; M. R. Conley, of Lynn; Warren J. Baldwin, of Boston, and Edgar P. East, of New York.

Loan Brokers Organize.

LICENSED LENDERS OF MASSACHUSETTS MEET AT HOTEL BELLEVUE TO FORM STATE ASSOCIATION.

Fifty representatives of loan companies in Massachusetts met at the Hotel Bellevue this noon to organize a state licensed lenders' association, which is to exist for the announced purpose largely of protecting the public against usury and extortion in borrowing small loans, and to coöperate with the legal authorities and with all licensed small loan brokers in the proper conduct of business. Following a luncheon, the delegates adopted by-laws, elected officers, and chose representatives to attend the National Conference at Chicago on September 22, 23 and 24.

Frank H. Pope, state supervisor of loan agencies, in a brief address called attention to the fact that, with the exception of Massachusetts, practically every state where loan brokers are required to be licensed, now has a loan association. He spoke of the disrepute that has been attached to the small loan business because of the operation of "loan sharks," or unlicensed brokers, and said that a strong organization of licensed brokers can do much to drive the "shark" out of business.

Remarks were made also by W. E. Pool, of Boston, who was one of the leaders in calling the organization meeting; Hamilton G. DeWeese, of Columbus, O., Field Secretary of the American Industrial Licensed Lenders Association, and by Edgar P. East.

CONNECTICUT.

The annual meeting of the Connecticut Lenders Association was held in the Hotel Taft, New Haven, on Thursday afternoon, July 21st.

Luncheon was served at 1 o'clock, after which the business session began.

The attendance was 100% of the membership.

Those present were Messrs. Edgar P. East, R. M. Rutherford, Aubrey S. Edwards, R. W. Roberts, Geo. D. Young, Thos. C. O'Brien, A. V. Joudrey, and H. G. McMullin.

The following visitors were also present: Messrs. James P. Coogan, of Worcester, Mass., and H. J. Desormeaux, of New Bedford, Mass.

A revised constitution and by-laws were adopted and the name of the organization changed to the Connecticut Industrial Lenders Association.

The second Wednesday of each month was selected as the regular meeting date of the association, the place of each meeting to be selected by the executive committee.

The reports of the officers were read and received.

The secretary reported that the association had 100% membership in the American Association.

The following officers were elected to serve for the ensuing year: Thos. C. O'Brien, New Haven, chairman; Aubrey S. Edward. Waterbury, vice-chairman; H. G. McMullin, Hartford, secretary; R. M. Rutherford, New York, treasurer.

Executive committee: R. M. Ruther-

ford, chairman; New York; R. W. Roberts, Bridgeport; Geo. D. Young, New Haven; F. W. Hawkinson, Hartford.

Committee chairmen: Legislation, Edgar P. East; membership, H. G. McMullin; publicity, Geo. D. Young, entertainment, A. S. Edwards; auditing, N. A. Wildman.

By a unanimous vote Thos. C. O'Brien, of New Haven, was elected a delegate to attend the National Convention, in Chicago, in September.

One of the New Haven papers gave this account of the meeting:

Small Loan Men of State Meet.

The annual meeting of the Licensed Lenders Association of Connecticut was held yesterday at Hotel Taft. A revised constitution and new by-laws were adopted. Officers and committees for the ensuing year were elected. T. C. O'Brien was elected chairman of the State Association and delegate to attend the annual meeting of American Industrial Licensed Lenders Association to be held in Chicago in September.

The object of this association is to promote the welfare of the borrowing public against usury and extortion in the procuring of small loans, and to coöperate with the proper legal authorities and with all licensed lenders in the proper conduct of the small loan business under the provisions of the Connecticut small loan law.

CONGRATULATIONS, GEORGIA.

Previous notices announced the organization of the Georgia Licensed Lenders Association in Atlanta, Ga., July 7, 1921. At that time, A. B. Madison was elected chairman; G. A. Wiley, vice-chairman; Ed. L. Wight, secretary and treasurer. Subsequent to the organization of the Georgia Association and an adoption of a constitution and by-laws, application was made to the A. I. L. L. A. for affiliation with it. In the absence of one of the members of the National Executive Committee, action could not be announced in our July issue. We are pleased to say now, that the application of the Georgia Association was unanimously approved by the National Executive Committee. We congratulate this new baby organization, and wish for it a useful future. It is starting out under most favorable circumstances, as it has a 100% enrollment in the A. I. L. L. A.

WELCOME.

To those members who have joined the A. I. L. L. A. during the past two or three months, we extend a hearty welcome and sincerely hope to see them at the Chicago convention, Sept. 22, 23, 24. Among the new members enrolled by the field forces, are the following:

City Investment Co., Atlanta, Ga.
Fulton Loan and Invesmtent Co., Atlanta, Ga.
Security Investment Co., Atlanta, Ga.
Southern Security Co., Atlanta, Ga.
Surety Loan Co., Atlanta, Ga.
Wight Investment Co., Atlanta, Ga.
William A. Swank, Crawfordsville, Ind.
Valley Loan Co., Huntington, Ind.
Howard Loan Co., Kokomo, Ind.
Clupper Loan Co., Marion, Ind.
Willis Dean Loan Co., Marion, Ind.
Marion Loan Co., Marion, Ind.
New Castle Loan Co., New Castle, Ind.
Business Men's Finance Assn., Richmond, Ind.
Leavell & Bates, Tipton, Ind.
American Security Co., Wabash, Ind.
Community Collateral Loan Co., Toledo, Ohio.
Harris Investment Co., Norfolk, Va.
Norfolk Investment Co., Norfolk, Va.
Bluefield Investment Co., Bluefield, W. Va.

ADDRESSES WANTED.

If any member should locate the following, please notify the National Secretary.

William M. Witt, former address, 1627 Asylem Ave., Racine, Wis.

Mrs. Arthur V. Sampsel, former address, c|o Sanitary Engineering Co., Anderson, Ind.

Walker Loop, wife Marie, former address, Anderson, Ind.

We wish to be useful to all members in locating "skips." This column is open to all members who will furnish names, occupations and other details of identification of their "skips." If towns where "skips" have been are given, it will be helpful.

GEORGIA.

Reporting to the National Executive Committee, H. G. DeWeese, field secretary, writes under date of July 26, as follows:

"Pursuant to your request of June 25th, I arranged my work here in the East so that I could meet Mr. Woll in Atlanta on or about the time of the first meeting of the Georgia State Lenders' Association. On July 7th Mr. Woll and I called on each eligible licensee in Atlanta to emphasize the importance of being present that evening, at which time a new constitution and by-laws was to be adopted, and an organization address by me was expected. I am happy to say that we found every one we called on hungry for loan information as well as to know what membership in the State and American Association meant and our plans generally. To my surprise and gratification I found that Georgia was not to be outdone by Iowa, that she too had present on this occasion the full state membership. Our meeting was a very enthusiastic one and lasted until almost midnight. The following day I called on each member of the State Association and secured their membership in the American Association in every instance but one. I am pleased to say that on this day I received the check from this remaining company, evidencing their identification with the American Association. Iowa can now look to her laurels else Georgie outgrow her in numbers as well.

"Many were the conflicting stories I heard before going to Georgia as to what the possible attitude of the various operators there was towards the uniform law before and since its passage. I am in no position to know that conflict of opinion existed prior to the passage of the law, but I do know that the lenders there are very enthusiastic towards the new law. One would think in talking to them that each and every one of them played a big part in securing its passage and that they now feel, regardless of what the court decision may be, that the hour of peace has struck for the lenders of Georgia. I venture to say too that in the event the decision is against the uniform law that every member of the State and American Association there will make the influence of organized effort felt in the passage of a law that will yet be approved by the Supreme Court of Georgia."

COMPLIMENTARY.

HARRISBURG, PA., Aug. 4, 1921.

DEAR MR. KEHR:

I thank you for yours of August 2d with the constitution of the American Industrial Licensed Lenders Association, the statement of the objects of which in Article 2 seems to be altogether admirable.

I can see how an organization of this sort can do a very great deal of good. Small loans will need to be made, and to see that they are made under conditions of justice is very well worth while.

Yours truly,

J. HORACE MCFARLAND, *President,*
American Civic Association,
a National Welfare Organization.

PENNSYLVANIA.

The regular meeting of the Pennsylvania Association was held in Parlor A of the Penn-Harris Hotel, Harrisburg, at 2 p. m., Friday, July 8, 1921.

The meeting was called to order by Chairman E. P. East.

Twenty-two members and the following visitors were present at the luncheon which preceded the business meeting: Scott S. Leiby, Esq., Harrisburg; George H. Orth, representing the Banking Department; Mr. Fred L. Wright, Eastern Superintendent of the Welfare Loan Society, Lancaster. Senator Leiby's address on "Married Woman's Rights in Pennsylvania" was interesting, and many inquiries addressed by those in attendance were answered.

The treasurer reported on hand, July 8, 1921, $100.68.

The secretary reported a membership of 67, all in good standing as of June 30, 1921. Fifty-one members are also members of the American Association, all in good standing as of Aug. 1, 1921.

Chairman Kehr, of the Legislative Committee, commented briefly on the failure of the Walker bill in the recent session of the legislature. He likewise covered the many bills, and their disposition, introduced during the session that were of interest to the members (notice of which has been placed in the hands of each some weeks ago). He said, the Commission on the Revision of Banking Laws has been continued, but the commission members had not yet been appointed by the governor. On motion of Mr. Watts, seconded by Mr. Ezekiel, a rising vote of thanks was tendered Mr. Kehr for the diligence with which he attended the numerous measures in the recent legislature, and the proficient manner in which his committee functioned during that period.

On motion of Mr. Moss, seconded by Mr. O'Neill, the secretary was instruct-

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INDUSTRIAL LENDERS NEWS

Official Organ American Industrial Licensed Lenders Association Which Is a Member of the Chamber of Commerce of the U. S. A.

Vol. VI. No. 3. SEPTEMBER, 1921. Price, $1.00 a Year.

LAST CALL FOR THE CONVENTION

Good Program and Interesting Entertainment Arranged. Big Attendance Expected

This is the last call for the Seventh Annual Convention of the American Industrial Licensed Lenders Association, which will be held at the Drake Hotel, Chicago, September 22d, 23d and 24th.

Never before has a better program been arranged, nor more elaborate preparations been made to entertain the visiting guests by the local Association. The convention committees of the Illinois Association have been at work for more than two months arranging the details for this big annual affair, and they have done their work well and will be greatly disappointed if this convention does not break all records for attendance.

The intention was to send each individual, firm or corporation engaged in the small loan business in the United States, an invitation to be among the live wires at Chicago, but if this reaches any one who has been overlooked, this is your invitation to be present.

The program, publicity and entertainment committees have done a good job and you will agree from what has happened and what will take place in Chicago.

On September 19th, 20th and 21st, the National Federation of Remedial Loan Associations will hold its thirteenth annual convention at the Morrison Hotel, Chicago, and all members are invited to meet these pioneers of the remedial loan movement and attend their open sessions.

And listen! in addition to the program that will be briefly set forth in the following columns, the National Executive Committee will award a silver loving cup to the state having the largest percentage of its members in attendance, to be contested for annually. The state winning, together with the year will be inscribed on the cup which will be kept in the custody of the victorious state each year.

The progress during the the past year has been notable both from the standpoint of legislation and the number of members enrolled, but come and hear the interesting reports, papers and discussions and get the full benefit of this occasion. Whether a member or not, you are welcome. The program will be as follows:

Program.

THURSDAY, SEPTEMBER 22—10 A. M.

Call to order by the National Chairman —Meet your neighbor.
C. H. Stratton.

Some Busche Songs.

Address of Welcome, Gen. Abel Davis, Vice-Pres., Chicago Assn. of Commerce.

Address of Welcome in Behalf of the Illinois Association. L. T. Baker.

Response and Address by the National Chairman.

Report of the Membership Committee, L. T. Baker.

Report of the Committee on Legislation, C. H. Watts.

Report of the Committee on Laws, F. R. Hubachek.

Report of the Committee on Publicity, W. G. Wood.

Report of the Finance Committee, J. H. Dyer.

Report of the Treasurer and Auditing Committee,
J. H. Aufderheide—R. M. Rutherford.

Report of the Secretary, G. W. Kehr.

Report of the Special Committees.

11 A. M. to 1 P. M. Tour through Marshall Fields Department Store for the Ladies. For information, see Mr. Burch, headquarters office.

1 P. M. Convention Luncheon at the Drake Hotel with Busche Songs.

1 P. M. to 2:30 P. M. Ladies' Luncheon in the Narcissus Tea Room at Marshall Fields, as the Guests of the Illinois Association.

THURSDAY, SEPTEMBER 22—2 P. M.

Busche Songs.

The Year's Progress and the Uniform Law, Walter S. Hilborn, Esq., Acting Director, Division of Remedial Loans, Russell Sage Foundation, New York City.

The California Situation, Albert C. Auger, General Manager, San Francisco Remedial Loan Association.

Report of the Field Secretary. H. G. DeWeese.

What, if any, Changes Shall Be Made to the Constitution and By-Laws?

7:30 to 8:30 P. M. Law Suit—Bedelia Hucenslicer vs. Amos Keeter, before Judge U. B. Dam and Jury. Actors, members of the Ohio Association.

8:30 to 11:30 P. M. Dancing at the Drake Hotel. Best Music in Chicago.

FRIDAY, SEPTEMBER 23—9 A. M.

Some Busche Songs.

Business Efficiency, H. T. Mattingly, Chairman, Maryland Association.

The Industrial Loan Company's Part in the Readjustment, W. G. Stevens, Manager, State Loan Co., Detroit, Mich.

Building Your Business on Good Will, G. W. Farrington, Manager, State Loan Co., Indianapolis, Ind.

10 A. M. to 12:30 P. M. Ladies Tour through the Field Museum of Natural History, conducted by Mr. Burch, of Entertainment Committee.

FRIDAY, SEPTEMBER 23—2 P. M.

Busche Songs.

The Enactment of the Uniform Law in Iowa, T. J. Harrison, Chairman, Iowa Association.

The Necessity of a National Organization, J. H. Dyer, Chairman, Ohio Association.

The Enactment of the Modified Uniform Law in Michigan, F. E. Stroup, Chairman, Michigan Association.

Helping Each Other, C. G. Mueller, President Community Finance Service, Philadelphia.

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7 P. M. Banquet, National Chairman acting as Toastmaster.

Addresses by Mr. George A. Barr, Director Illinois Department of Trade and Commerce; A. H. Ham, Vice-President Provident Loan Society, and former Director Division of Remedial Loans, Russell Sage Foundation, New York, and possibly other speakers.

An opportunity will be given each delegate present to ask questions and discuss any subject on the program.

SATURDAY, SEPTEMBER 24—9 A. M.

General Discussion, in which all present, whether owners or managers, are invited to participate.

Publicity. (To be opened by Benj. Blumberg, Terre Haute, Ind.) Auto Finance. A Uniform Pawnbrokers' Bill. Should the Laws of New Hampshire, Massachusetts, Rhode Island, New York, New Jersey, Virginia, Ohio, Michigan, Nebraska, Utah, and Oregon, be Amended to Conform to the Model Uniform Law? Shall the National Association Have Precedence Over State Associations and Individual Members in Legislative Matters? Shall the Method of Collecting Dues Be Changed? Credit Clearing House Exchanges. Personnel, Salaries, Bonuses, Vacations, Hours, etc. Can Loans of $25 or Less Be Made at a Profit at 3½%? Membership in Retail Credit Men's National Association, and Other Business Men's Organizations. Shall

(*Continued on page 2.*)

INDUSTRIAL LENDERS NEWS

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Correspondence and items intended for publication should be addressed to Geo. W. Kehr, 204 Chestnut St., Harrisburg, Pa.

NATIONAL OFFICERS, 1920-1921.

Chairman, C. H. Stratton, Sullivan, Indiana.
Treasurer, J. H. Aufderheide, 860 Lemcke Annex, Indianapolis, Ind.
Secretary, G. W. Kehr, 204 Chestnut St., Harrisburg, Pa.
Field Secretary, H. G. DeWeese, 1948 N. High St., Columbus, O.

VICE-CHAIRMEN.

Conn.—T. C. O'Brien, 113 Church St., New Haven.
Ga.—A. B. Madison, 103 Central Bldg., Atlanta.
Ill.—L. C. Harbison, 81 E. Madison St., Chicago.
Ind.—Robert Spencer, Jr., Grant Saving & Trust Co., Marion.
Iowa.—T. J. Harrison, 115½ E. 4th St., Waterloo.
Md. H. T. Mattingly, 322 Equitable Bldg., Baltimore.
Mich.—F. E. Stroup, 507 Commercial Bank Bldg., Grand Rapids.
N. J.—J. W. Whitstone, Frost Bldg., Plainfield.
Ohio.—Col. R. V. Barto, Columbus.
Pa.—E. P. East, 175 Fifth Ave., New York.
R. I.—W. G. Wood, 268 Westminster St., Providence.
Va.—W. F. Bradshaw, 105 W. Main St., Norfolk.
W. Va.—Wirt V. Hawkins, 301 Wheeling Bank & Trust Bldg., Wheeling.
Unorganized States.—R. M. Rutherford, 175 Fifth Ave., New York.

COMMITTEE CHAIRMEN.

Auditing, R. M. Rutherford, 175 Fifth Ave., New York.
Finance, J. H. Dyer, 404 Commerce Bldg., Columbus, O.
Law, F. R. Hubachek, Esq., 610 McKnight Bldg., Minneapolis, Minn.
Legislation, C. H. Watts, 1011 Chestnut St., Philadelphia, Pa.
Membership, L. T. Baker, 109 N. Dearborn St., Chicago, Ill.
Publicity, W. G. Wood, 268 Westminster St., Providence. R. I.

The National Council is composed of the National Officers, Vice-Chairmen, and Committee Chairmen.

A HEARTY WELCOME.

We extend to the new members enrolled by the Field Secretary recently, a hearty welcome and express the hope that we may see their representatives at the National Convention in Chicago. Among the recent additions to the membership roll are the following: School Street Loan Co., Boston Mass.; Eureka Realty & Loan Co., Cincinnati, Ohio; Central Loan Co., Dayton, Ohio; State Loan & Realty Co., Dayton, Ohio; Exchange Mortgage Loan Co., Findlay, Ohio; Fostoria Finance Co., Fostoria, Ohio; W. W. Young, Mount Vernon, Ohio.

SUGGESTED CONSTITUTIONAL CHANGES.

Among other important matters which will come up for general discussion and action at the National Convention, are the following suggested changes to the Constitution and By-Laws:

1. Some advocate a change in the title or name of the national body and the main purposes sought are to make it more brief and yet descriptive of the personnel of the membership. Here are the suggestions: American Industrial Lenders Association; American Industrial Loan Association; American Anti-Loan Shark Association. Each of these names will have their advocates but none are so good that a better name could not be proposed.

2. It is proposed to change the method of collecting dues and at the same time make membership in both State and National Associations necessary if anyone desires membership in either organization. The plan proposed would give membership in both organizations for a minimum of $20 per annum and a maximum of $200 per annum, based at the rate of $1.00 per thousand on the average loan balance for the previous year. This plan is suggested both to increase the membership and at the same time the revenue so that each member will contribute his share toward the upkeep of both organizations and in the doing relieve the few who have carried more than their share of the burden since the organizations were formed. Moreover, this plan will do away with considerable duplication of effort in that the State Association secretaries will collect dues but once for the State and National organizations and as received will turn over to the National Association, half of the amount collected.

3. It is proposed to enlarge the National Executive Committee from five to nine members, to include in addition to the three officers and the chairmen of the Finance and Legislative Committees, the chairmen of the other standing committees, which embrace, Auditing, Law, Membership and Publicity. It is also proposed that the committee shall meet at least three times a year—in September, November and May.

4. Some mention has been made during the year of making the National body supreme in legislative matters, but as this subject is included in the program for general discussion, it remains to be seen if it will be necessary to change the Constitution which makes provision for this important feature of association work.

The National Executive Committee will be glad to consider other suggestions if received by Geo. W. Kehr at the Morrison Hotel, Chicago, not later than Wednesday, September 21st.

Remember on every question, each State has as many votes as it has members in good standing at the time of the convention.

LAST CALL FOR THE CONVENTION.

(*Continued from page 1.*)

Chain Organizations Be Required to Put all or None of Their Offices in State and National Organizations? Shall Membership Certificates Be Issued to Branch Offices of Members Who Include These Investments in Their Loan Balance Declarations of Their Main Offices? How to Get Business and How to Keep Business. How to Get the Maximum Return at the Minimum of Expense and Effort. What Makes a Good Outside Man? What Makes a Good Manager? What Makes a Good Office Assistant? How to Educate Customers to Pay When Their Accounts Are Due Without Notice. Chase Slows by Telephone. What Proportion of the Lenders Business Should Be in $50 Loans and Less? What Are a Manager's Duties? Should Outside Men Work Inside? Is It Profitable to Use Motorcycles and Automobiles in Outside Work? How to Improve Collections. Under What Conditions Should Foreclosures Be Made?
Unfinished Business.
New Business.
Nomination and Election of Officers and Chairmen of Standing Committees.
Announcement of the State that wins the Attendance trophy.
Farewell Busche Song.

SATURDAY, SEPTEMBER 24—2 P. M. TO 5:30 P. M.

Tour of the City of Chicago for All Guests of the Convention in Automobiles Furnished by the Chicago Members of the Association.

(A personal invitation from the National Chairman.)

If you have not already made your arrangements to attend the Seventh Annual Convention of the American Industrial Licensed Lenders Association, which is to be held in Chicago at the Drake Hotel on Thursday, Friday and Saturday, September 22d, 23d, and 24th, I would suggest that you do so at once. This will be the largest and by far the most interesting meeting of the Industrial Lenders of the United States that you have ever had the opportunity of attending. The Association has grown and broadened in a number of ways in the last year or two. More states and more Lenders have become identified with our Association and many things of interest and of vast importance to the loan business have happened. For the last eight or nine months we have had a field or travelling secretary who has covered a greater part of the United States and has contacted hundreds of loan people.

Information and data of priceless value to every loan concern has been collected and at this convention you will have an opportunity of getting this valuable information and of coming in personal, friendly contact with men from all parts of the country who are human encyclopedias about the loan business and you will find them ever ready and glad to give you the benefit of their knowledge and experience.

I know of no way that you can invest four or five days' time and a few dollars as profitably as in attending this convention. It is your business to look for investments upon which you can make a fair return and are more than pleased when you can make an investment which will yield you three and one-half per cent., but take it from me that this investment of yours in attending the Chicago Convention will not pay you three and one-half per cent. but more than one hundred per cent. Subjects that will be of the most vital importance to the small lender will be thoroughly gone into.

The experience of the Lender in Maryland may be very valuable to the Lender in Illinois or Georgia. I have no doubt but what there are many things in connection with your business that have perplexed and worried you as to just what to do and you have often wondered what the experiences were of other Lenders in the same matter. The

convention will be a clearing house in which problems will be discussed from all their angles.

Matters touching on laws regulating our business will be discussed and nothing is of more importance to the Lender than of having good fair laws which are just between Lender and Borrower. Good laws are just as important to the loan business as is a good heart to a man. It is your duty as a legitimate Lender to see that good and fair laws are enacted in the States where there are none and that they are protected in the States in which they are already upon the statute books. The Lender who is not willing to do his part along this line and bear his share of the burden is not fair and does not measure up.

We want every Small Loan man to attend this convention whether you are a member of the American Association or of one of the several State Associations, or not. We believe you should be a member of our organization and also of the State Associations in which you operate and we believe that the surest way to have you become a member is by having you attend our convention so that you may become acquainted with our purposes and with what we are doing. So we invite you, one and all.

Besides all of the serious business of the convention we are promised by the Illinois Association, who are entertaining us, a royal good time. They say that they are going to outdo, in the way of entertainment, any convention that we have ever had. I have every reason to believe that they will, and if they do, this alone, will guarantee us a real time. It will indeed be a pleasure for me to shake you by the hand at the convention at the Drake Hotel. Come on, boys, "Let's go."

Very respectfully,
C. H. Stratton,
National Chairman.

CONVENTION ATTRACTIONS.

337 West Madison St., Room 602.
Chicago, Ill., Aug. 24, 1921.

Mr. G. W. Kehr,

204 Chestnut St., Harrisburg, Pa.:

Dear Sir: Mr. Steimle called me on the telephone, a few minutes ago, and informs me that you are very anxious to know just what sort of a program has been arranged for the lady guests that attend the National Convention at the Drake Hotel on September 22d, 23d and 24th.

This matter has received a great deal of attention, and I am pleased to submit the following program to you:

Thursday, September 22d.

11:00 A. M. to 1:00 P. M. Tour through Marshall Fields Department Store. This should be of great interest to the ladies that will attend the convention.

1:00 P. M. to 2:30 P. M. Luncheon in the Narcissus Tea Room at Marshall Fields. Ladies to be the guests of the Illinois Association. The ladies should not fail to attend, as they will certainly enjoy their luncheon in such a magnificent tea room.

8:30 P. M. to 11:30 P. M. Dance at the Drake Hotel. All are invited to attend this informal affair. Everyone will have a very enjoyable time, as the music will be the best that we can obtain in the City of Chicago. Everyone had a grand time in Indianapolis, but we are going to try to give all the guests a better time at this party.

Friday, September 23d.

10:00 A. M. to 12:30 P. M. Tour through the Field Museum of Natural History, for the ladies. The ladies should not fail to visit this beautiful museum, as it is wonderful for its architecture and the many things of interest on the inside.

7:00 P. M. to 11:00 P. M. Banquet at the Drake Hotel. Many things of interest are in store for us all at this wonderful banquet. No one wants to miss it.

Saturday, September 24th.

2:00 P. M. to 5:30 P. M. Tour of the City of Chicago for all the guests of the convention. Automobiles to be furnished by the Chicago members of the Association. There are many points of interest to be seen in Chicago, and this tour of the city should prove very interesting to the guests.

We have arranged for transportation to take the lady guests back and forth from the various points of interest that we have planned for their entertainment.

Certainly do hope that we will have a large attendance at this Seventh Annual Convention. Tell all the members that a good time is in store for them, and that they should not fail to bring their wives. We want a 100 per cent. attendance from every State that belongs to the Association. Let's see what Pennsylvania can do in bringing 100 per cent. attendance.

Trusting that this program will meet with your approval, I am,

Yours very truly,
C. B. Burch,
Chairman of Entertainment Com.

Frank A. Vanderlip, former president of National City Bank of New York City, recently said: "The changed scope, character and methods of modern business have united to demand men with a training superior to anything that was ever needed before, as the successful commercial leaders of the future."

This statement is wonderfully true as applied to the loan business. The loan manager who does not realize that the methods of handling clients are much different than formerly, is not alive. The old-time bluff and bluster are gone, and in its stead has come quiet sure and positive language to the client. The appeal to the higher principles of the client, the moral side, the standing in the community with reference to keeping an honest obligation and maintaining proper credit. The many little statements that can be made to the client, to impress on him the importance of keeping his contact with the loan office clean, thus enabling him to always have a place to come to obtain relief in time of need. These and many others are important factors today in managing a loan office.

The owners of loan offices who are hiring managers are fully aware that they need better men to-day than ever before. They need men whose personal appearance is in keeping with the business; men who can meet other men; men who can and will defend and uphold the loan business; men who are capable of meeting the paymaster of the large manufacturing company and convincing him that the employee of his company who will not abide by a contract made with a loan company is not a good employee, and that there is a question as to his honesty (no one wants dishonest employees). Men are needed who know when the loan law was enacted, and how it came about, so that they can advise those in authority where we stand. Permit me to say that there are some in authority serving on the judge's bench who were very recently uninformed as to the loan law in the state of Illinois.

Mr. Loan Office Owner, send your manager to the National Convention and get him thoroughly acquainted with these and many other facts; let him share the enthusiasm and inspiration to be gathered there and we believe you will get daily dividends on your investment. The National Convention will be a sort of a postgraduate course covering all angles of the loan business. The expense of attending will be slight in comparison with the direct benefits to be obtained. The program of the convention has been before you; you know how big and good it is.

The dates of the convention are very favorable, and for the average person is a splendid opportunity to contemplate a few days' fall vacation, coupled with a business feature rare in its advantages. Unless the labor situation is rapidly adjusted during the next few months, the loan manager will need a lot of the information obtained at the convention to reinforce him to successfully meet the conditions which are surely coming his way.

Again we say, Mr. Loan Man, come and bring your managers; it will surely be worth your while.

P. S.—I am in possession of some private and reliable information that the Chicago boys are putting on something for the convention of which nothing has been said, but we will have to go to Chicago and the convention to get it, as it will be impossible to obtain it in any other manner.

A. E. Paris, *Publicity Chairman, Illinois Association.*

NATIONAL EXECUTIVE COMMITTEE MEETING.

A meeting of the National Executive Committee has been called by the National Chairman to take place at eight o'clock Tuesday morning, September 20th at the Hotel Morrison, Chicago, to consider any important business that may be brought before it.

PENNSYLVANIA.

Randolph H. Hubbell was recently elected a member of the Erie Board of Commerce.

Chairman Edgar P. East has issued an interesting circular letter in regard to the progress made during the last year, and urging support of the National Association and a large attendance at the Chicago Convention.

It is contrary to the act authorizing what are known as "small loans" for a concern engaged in such business to loan more than $300 to an individual, according to an opinion given to Commissioner of Banking John S. Fisher, by

Attorney General George E. Alter. The question arose whether such a concern could loan an individual only $300 or could loan him an unlimited number of loans, provided each loan did not exceed $300. The Commissioner is specifically advised that "the loan of more than $300 by any person, partnership, association or corporation to one individual is not authorized by this act."

OHIO.

J. Fred Anderson, Secretary of the Ohio Association, was good enough to write us the following story covering the Seventh Annual Convention of that breezy body at Cedar Point, August 18th and 19th. Before letting Anderson talk, we want to congratulate him on his clever work in connection with the publication of *Ohio Loan Association Blower*, one of our new contemporaries. At wit, humor and literary skill, "Fred" is a past master. Now read what J. F. A. has to say seriously:

"It is difficult indeed to try to produce with printer's ink a satisfactory history of the Seventh Annual Convention of the Ohio Loan Association, which was held at Cedar Point, on Lake Erie, August 18th and 19th, 1921, for we cannot reproduce the happy and cordial welcomes and friendly handclasps and general spirit which went so far to make the convention the success that it was.

"Your September issue will, no doubt, be more or less taken up with National Convention matters, but we trust that you may find space for this little record of what we did and said at our annual convention.

"First of all, the attendance was quite satisfactory, numbering about eighty-five (85) persons, among whom were Col. R. V. Barto, former Chief of the Department of Ohio, who, with his wife, attended the convention this time, as a loan man and not as a department head; Mr. Peter Albeits, present Chief of the State Department; Judge Hughes, of Lorain; H. G. DeWeese, Traveling Secretary of the A. A.; Judge Roy H. Williams, of Sandusky, and Messrs. Aufderheide, and Zumpfe, of Indianapolis.

"Our members were welcomed on behalf of Sandusky by the Hon. Roy H. Williams, Judge of the Common Pleas Court of Sandusky, who extended to us greetings from the city and made some very complimentary remarks relative to the useful field being occupied by the small loan man. He said that our organizations are rendering real service to the public, and that he placed his stamp of approval upon our organization, and that he was glad to learn that in the matter of remedial legislation Ohio had been the pioneer.

"R. L. Buckley, of Youngstown, responded on behalf of the Association, and thanked Judge Williams for his kindly remarks and cordial welcome.

"Chairman Dyer made an exhaustive report covering the activities of the last year and emphasized the importance of organization and its helpfulness, and made it a point that our annual meetings were a combination of work and play, and that when we come here we play hard, but when we work we do not play.

"The Secretary and Treasurer's report showed a membership of sixty-five (65) central offices and the balance of $1,993.19 in the treasury.

"One of the outstanding features of the convention was the address of Mr. Hamilton G. DeWeese, Traveling Secretary of the A. A., under the catchy caption of "Two Step Service to Success." 'Ham' has the happy faculty of not saying too much, but of delivering himself of texts filled with food for thought. The ordinary person does not like to have all his thinking done for him, and 'Ham's' address was one of those which led you up to the brink and allowed you to think the rest out for yourself. In other words, as some one has aptly expressed it, 'the human mind delights in its own discoveries,' and I feel that everyone who listened to Mr. DeWeese at this time would be able to write several little sermons by using as texts some of his brief remarks. I think his coming gave us all a desire to attend the National Convention, as he emphasized strongly the value of getting together, rubbing elbows and exchanging ideas.

"Our two Senators, A. W. DeWeese, of Piqua, and Thomas L. Gifford, of Toledo, both responded and gave valuable advice respecting legislative matters. Mr. DeWeese especially counselled letting well enough alone, well knowing as he does the danger that lies in the pathway of too much tampering with the legislature.

"On Thursday evening the Association enjoyed a family party as a compliment to Col. R. V. Barto, and all members and their wives present enjoyed a pleasant evening and the remarks of Mr. Barto. Mr. Peter Albeits was also introduced at this time and assured us that he was going to do everything in his power to perpetuate the era of good feeling that now exists between the State Department and the licensees in Ohio.

"Mr. L. V. Busche, of Canton, is just one big bunch of fun, and acted as song leader for all sessions of the convention, and on the evening of the banquet he introduced the following, which was exceptionally appropriate:

"'The Old and the New.' (L. V. B.)

"'Tis the time when we change things around
'Tis the time when we 'don' a new gown,
Bid adieu to the old, give a smile to the new
But there's no need for worry, 'our gown' fits quite true;
We are grateful to those who have served,
From their duties they never have swerved.
Our thanks to the old ones,
Our help for the new ones,
Our 'Bunch' is the best on the earth.

"'Mr. Albeits.' (Tune—Avalon.) L. V. B.

"We never dreamed that such a man was on the way;
We never dreamed he'd be the one that came to-day.
He's touched our hearts most tenderly and this we say:
We greet you, Mr. Albeits, most heartily.

"'Mr. Barto.'

"For three full years you stuck to us through thick and thin;
We'll ne'er forget the help to us, that you have been.
We love you ev'ry one of us, and this we say:
God bless you, Mr. Barto, every day.

"Another feature of this evening we are not going to tell you about for it may be that we might thereby spoil some future fun for you.

"The Manager's Session was held on Friday, and, like last year, the time proved all too short for the many interesting subjects and topics which arose. The following formal program was carried out, which was in charge of Mr. E. B. Timmermeister, Assistant Secretary of City Loan and Savings Company, Lima, Ohio, who proved most capable in this position:

"Manager's Session.

E. B. Timmermeister, Assistant Secretary of City Loan and Savings Company, Commander-in-Chief.
"1. O. C. Woodbury,
'Modern Advertising.'
"2. T. P. Carroll,
'Arrests and Foreclosures.'
"3. Austin Potter,
"Safeguarding Security Values and Basis of Loans.'
"4. W. T. Haas,
'Community Standing.'
"5. B. L. Thuma,
'Correspondence and Collection.'
"6. M. A. Costello,
'Loans on Farm Chattels.'
"7. Question Box,
Conducted by E. B. Timmermeister."

We hope to publish the manuscripts of the Managers' Session in subsequent numbers of the NEWS.

"Can safely say you may expect a large delegation from Ohio at the A. A. Convention in addition to our two regular delegates, Mr. Thos. Carroll, of Akron, and Mr. E. E. Beyers, of Cincinnati."

"P. S.—'I overlooked to state in my report of the convention that the election of officers for the ensuing year resulted as follows:

"Chairman, J. H. Dyer, Columbus; Secretary and Treasurer, J. Fred Anderson, Springfield; Executive Committee, Col. D. H. Pond, Cleveland; Thomas R. Schoonover, Lima; A. V. Hillyer, Ashtabula. Vice-President from Ohio for the A. I. L. L. A., Col. R. V. Barto, Columbus, Ohio.

"No decision was made as to the time or place of holding the Eighth Annual Convention, but we presume that it will be held at Cedar Point as usual.

"Beg to advise that I have just sent out booklets descriptive of the Drake Hotel, which may induce some of our members to attend the National Convention."

INDIANA.

Sept. 6, 1921.

To Members of the I. I. L. L. A.:

We would call your attention to the inclosed pamphlet of the Drake Hotel, the headquarters for the next National Convention in Chicago, Ill., Sept. 23, 24, and 25. This assures us of ideal accommodations and surroundings and makes certain the fact that this convention will be more than worth while for each and every member.

The importance of each member's attendance cannot be overestimated either from the standpoint of the benefit to be derived by each and everyone who makes an effort and attends, but also from the prestige which our own State Association may derive from the full attendance of it's membership.

The program is made up of interesting and competent papers and the general discussion of matters pertinent to our business cannot but prove of inestimable value to all members who attend. If unable to spend the full time of the convention, we urge that you come even if for one day only, as we can promise you a program which will more than compensate for your expense and trouble in coming.

Hoping that you will realize the benefits to be obtained from the papers and the advantage of personal acquaintance and contact with members of the American Association from other states, we would again urge your attendance and interested participation in the convention. Yours respectfully,

R. J. Spencer, Jr.,
Chairman.

If not too late, I would like to supplement my two other letters by giving you a list of the new members of the O. L. A., which is as follows:

G. W. Britton, Conneaut, Ohio.

Paulding Finance Co., Paulding, Ohio.

Continental Security Co., Continental, Ohio.

The Solomon Mortgage Co., Lima, Ohio.

The Franklin Finance Co., Lima, Ohio.

Edward Kellison, Bellefountaine, Ohio.

The Fostoria Finance Co., Fostoria, Ohio.

E. F. Ferguson, Van Wert, Ohio.

The Columbiana County Finance Co., East Liverpool, Ohio.

J. A. Spencer, Greenville, Ohio.

State Loan & Realty Co., Dayton, Ohio.

Monarch Loan Co., Cincinnati, Ohio.

The Exchange Mortgage Loan Co., Findlay, Ohio.

Ideal Finance Co., Cincinnati, Ohio.

Zanesville Provident Co., Zanesville, Ohio.

The Alliance Finance Co., Alliance, Ohio.

The Middletown Collateral Loan Co., Middletown, Ohio.

The Clark County Coll. Loan Co., Springfield, Ohio.

Have not heard from Schoonover, in re Mock Trial, as the main actor in the sketch was an old minstrel and vaudeville man now in his employ. I think he must be on a vacation, as he is usually very prompt in answering correspondence. I surely want to get it in shape if he will let the man go, but we could not put it on without him.

J. Fred Anderson.

Commonwealth of Pennsylvania.
Banking Department.
Harrisburg.

September 8, 1921.

Gentlemen:

Enclosed herewith you will find copy of an opinion rendered by Hon. Geo. E. Alter, Attorney General, under date of September 1st, that is of interest to all licensees operating under the provisions of the Small Loan Act of June 17, 1915, as amended June 4, 1919.

You will please note that the Attorney General gives as his opinion that licensees under the above act are not permitted to loan more than $300 to any individual and that the splitting of loans to accomplish that end is illegal.

Very truly yours,
John S. Fisher,
Commissioner of Banking.

Office of the Attorney General.
Harrisburg, Pa.

September 1, 1921.

Hon. John S. Fisher,
Commissioner of Banking,
Harrisburg, Pa.

Sir: I have your inquiry as to the interpretation of the Act of June 17, 1915, P. L. 375, entitled "An act regulating the business of loaning money in sums of three hundred ($300) dollars or less, either with or without security, to individuals pressed by lack of funds to meet immediate necessities; fixing the rate of interest and charges threefor; requiring the licensing of lenders; and prescribing penalties for the violation of this act."

Your question is whether the authority conferred by the act is limited to a single loan not exceeding $300 to any individual or whether one individual may be given an unlimited number of loans, provided each loan does not exceed $300.

Group Picture Taken at the Organization of the Massachusetts Industrial Lenders Association, Aug. 3, 1921

The language to be considered is found in Section 1 of the act, as follows:

> "It shall be lawful for any person, persons, partnership, association, or corporation within this commonwealth, who shall comply with the requirements of this act, to loan money in sums of three hundred ($300) dollars or less, either with or without security, to individuals pressed by lack of funds to meet immediate necessities and charge and collect for the loan thereof interest and fees as hereinafter provided."

The interest and fees provided are such as would otherwise be usurious.

This act deals with an exception to the general law, as well as to the principles of the common law. It should be construed accordingly. If the limit of $300 were to be applied only to each single loan and an individual could borrow any amount desired by dividing it into notes of $300 each, the limitation would be of little practical use. While the expression *"sums* of $300 or less" occurs in the language above quoted, the plural *"sums"* and the words *"to individuals,"* which follow, are consistent with an interpretation restricting the loan of the prescribed sum to each individual borrower. This I think is the correct interpretation.

You are advised that the loan of more than $300 by any person, partnership, association or corporation to one individual is not authorized by this act.

Yours very truly,
(Signed) Geo. E. Alter,
Attorney General.

GEA/P.

Pennsylvania Industrial Licensed Lenders Association

Office of the Chairman.

To the Members of the Pennsylvania Association.

Progress Requires Many Changes in All Organizations.

The Pennsylvania Industrial Lenders Association has been functioning since December, 1915, at which time they adopted a constitution and by-laws which seemed to cover all requirements at that time, but at this date, six years later, experience and the growth of the Association seems to require a change to be made.

A short time ago a committee of several well-informed loan men and attorneys assembled and drafted a constitution and set of by-laws which they believed would fit the conditions of state associations as they are to-day. As a result of this, Maryland, Massachusetts, Connecticut, New York, New Jersey and Georgia have adopted this form of constitution and by-laws practically as the proof copy enclosed for your consideration. This was introduced at the last regular meeting of the Pennsylvania Association and is to be taken up and adopted with such changes as may be deemed wise and necessary at its next regular meeting.

In the matter of dues there have been changes made similar to the National Association. The minimum dues shall be $20.00 per year, which will cover offices up to $40,000, and a maximum of $50.00, regardless of whether it is a $100,000 or a $200,000 office. Those who do not care to declare their average loan balance for the year of 1921 may elect to pay $50.00 per year, or if you elect to send a check for a lesser amount as representing your average loan balance, without stating the exact figures, I feel sure the officers and members will be willing to rely upon their faith in you to do the right thing towards the Association.

The Pennsylvania Association has done much to promote a united front of the lenders of the state and throughout the United States. We have had some very active members. You all know who they are, but we need every member to be active. You, in all your community, be it large or small, can do much to mold favorable public opinion. If you have not read the article written by Mr. Collins in the *Saturday Evening Post* of July 16th, you have missed something good, and you should endeavor to get a copy.

There are many organizations being formed throughout the country claiming that they are going into the small loan business, each of which has its own rate and plan of operation. Therefore, if you wish to retain in Pennsylvania all the ground that we have gained, you must constantly keep on trying to do your part by attending meetings and lending your support in every way possible. To further the progress of the State Association, we must also support the National Association because it is always on guard throughout the United States. Your support is needed and your business exacts more knowledge from you day by day as to up-to-date conditions relating to your business.

You, who can go to the National Convention, do so without fail. The convention will be held September 22d, 23d and 24th, at the Hotel Drake, Chicago. *Make your reservations now.*

Any comments which you have to make in reference to the enclosed form of constitution and by-laws, please direct to Mr. C. H. Watts, State Secretary, 1011 Chestnut Street, Philadelphia, and attend the next regular State Meeting in *person.*

These, you will understand, will take the place of the constitution and by-laws under which we now work. Notice of meeting will be sent to you.

Pennsylvania Licensed
Lenders Association,
Edgar P. East, *Chairman.*

August 25, 1921.

MICHIGAN.

It has no doubt come to your notice that the uniform law has at last become a reality in Michigan. The major portions of the bill, as originally written, are all retained with the exception of the rate, which was cut to 3 per cent. on all loans up to $100, with a fee of $1 on amounts less than $50, and a $2 fee on amounts from $50 to $300, and the interest rate drops to two per cent. on amounts in excess of $100.

We recognize the fact that we still have a law with the fee privilege allowed, which in most intelligent centers is condemned, but all the other meritorious features of the bill are intact, and the business comes under supervision of the Banking Department of Michigan.

I will not attempt to rehearse the strong conscientious efforts that were made to have the whole of the bill passed as introduced, other than to say that it was in most competent hands, and to the lack of knowledge of the business on the part of some legislators, was due the compromise.

On July 14th the Michigan Association held a meeting at Lansing in the Hotel Downey. Officers were elected as follows: Chairman, F. E. Stroup, Chattel Loan Co., Grand Rapids; Vice-Chairman, J. E. Ryan, Provident Loan Soc., Detroit; Sec. and Treas., J. A. Macbeth, Detroit Mtge Loan Co., Detroit.

Mr. Stevens, of the State Loan Company, of Detroit, was elected delegate to the National Convention, and Mr. McCuen, of Michigan Small Loan Association, of Jackson, as alternate. Membership Committee as appointed, consists of Mr. Stevens, Detroit, Chairman; Mr. Jordan, Grand Rapids, and Mr. Firth, of Kalamazoo. We look for considerable activity on the part of the Membership Committee, for Michigan is practically virgin territory for their work, and the membership of the Michigan Association, should show a considerable increase within these next few months.

At this meeting there were a considerable number of strangers, and of those present, six were elected to membership as follows:

Security Loan Co., Benton Harbor;
Mich. Small Loan Association, Jackson;
Beach & Heuman, Jackson;
Flint Loan Co., Flint;
Lansing Loan Co., Lansing;
De Waele & Regan, Bay City.

The question of membership in the National organization was taken up, but all asked a little time and there is hardly a doubt in the mind of the writer but what all will contribute to the National body at an early date.

Mr. B. E. Henderson, of Illinois, was present and gave to those in attendance a brief outline of his experience in states where supervision is in effect, that was both instructive and interesting, and those present gratefully appreciated his efforts. Chairman Stroup outlined the law briefly, and brought out strongly its many fine points. Vice-Chairman Ryan gave a short address, analyzing the process of laws in vogue in Michigan regulating the business since 1905, and told of the great satisfaction that came to him and the directors of his company with the passing of the Uniform Act.

The six new members all appear to be live wires, and it was regrettable that those of us, here in Michigan, in business for years, were practically strangers to them. You watch Michigan. She cannot help but give a good account of herself from this time on.

Jas. A. Macbeth, *Sec'y.*

FLORIDA.

Jacksonville, Fla., will undertake to fight to a finish the loan shark that does so much harm in the community.

Drastic and thorough will be the investigation conducted by a committee of three of the city council into the workings and operations of the loan sharks of Jacksonville.

The committee, consisting of Councilmen Mason, Barker and Bennett, was appointed Tuesday night by Fred M. Waltz, president of the city council, to conduct a rigid investigation into the operation of local loan shark operation procedure and their methods of doing business.

According to Francis S. Mason, sponsor of the move, more than a hundred loan sharks are operating in Jacksonville. They are paying a small annual license, and representing themselves as being engaged in the buying and selling of real estate.

Mr. Mason said yesterday that these people, unlike the pawnbroker, are not listed. He alleges that many of them prey on the poor and ignorant part of Jacksonville's population, charging exorbitant rates of interest, which he said, is in direct violation of the laws of Florida.

The alderman committee will start its investigation this week. Victims of the usurers are invited to lay their complaints before the committee.

The remedy for Florida is the enactment of the Uniform Small Loan Law.—THE EDITOR.

This further communication is interesting:

JACKSONVILLE, FLA., Aug. 27, 1921.

DEAR SIR: I have received your year book for 1920, which you kindly forwarded to me, for which please accept my thanks.

In looking over this book I was gratified to see set forth ideas that are almost identical with my own.

The city council is at the present time conducting an investigation into the small loan business here, and we desire to curb the menace in the very best way possible. We have not finished our work yet and before we reach the end it is our hope that we may be able to bring the matter to a head and make all interested realize that the business must be conducted along reasonable lines. We appreciate that the business is necessary, and that the lender should make a very reasonable profit, and it is our desire to protect that in every way that is consistent with the interests of the borrower and the public policy.

The writer would be very glad if you would forward any other information that you have, because we desire to have at hand things of value, and if you have available one or two more copies of your year book I would be glad to have them also, for distribution to other members of the investigation committee.

Thanking you, I am,

Faithfully yours,

FRANCIS B. MASON,

Chairman, Special Committee on Loan Investigation.

COMMUNICATIONS.

August 18, 1921.

GEO. W. KEHR, ESQ.,
204 Chestnut St., Harrisburg:

DEAR SIR: I cannot sufficiently thank you for the trouble you have taken in sending me so regularly and consistently the copies of the INDUSTRIAL LENDERS NEWS, which have always been of great interest to me.

As, however, it is now so long since I sent my subscription, I feel it is time I did so, and I shall therefore be glad if you will send me an account of what is due.

With all good wishes for the success of the paper and of the Association, I remain,

Yours very truly,

ERNEST GREENHILL.

34 Montague St., Glasgow, W. Scotland.

CLEVELAND, O., Aug. 26, 1921.

DEAR MR. KEHR: We thank you for your communication of Aug. 8th, in which you gave us the names of two loan companies in Auburn, N. Y.

We wrote to one of the loan companies, and they in turn sent us name of their attorney, who is taking care of Skip.

Very respectfully yours,

W. E. HAMLIN.

NEW JERSEY.

On August 11th there was a big meeting of the New Jersey Lenders at the office of Standard Loan Company, Five Corners, Jersey City, N. J. The meeting was called to order at 3 p. m., by Chairman Whitstone. The following offices were represented at the meeting: Peoples Loan Co., Jersey City; Standard Loan Co., Jersey City; Peoples Finance Co., Jersey City; New Jersey Loan Co., Jersey City; Peoples Finance Co., Newark; Mutual Finance Co., Plainfield; Protective Investment Co., Paterson; Trenton Loan & Realty Co., Trenton; Mutual Finance Co., Perth Amboy; Equitable Industrial Loan Society, Newark; Community Finance Service, Inc., Newark; also their offices in Jersey City and Camden. Mr. H. G. DeWeese, National Field Secretary; C. H. Watts, E. P. East, Dr. Mueller and Mr. Fred Jackson, were present, in addition to those representing the various offices.

The meeting was opened by the reading of the minutes of previous session, and the work of the association since that meeting was outlined in an extensive report made by the Secretary, Mr. P. L. Alberse, among which was the matter of proposed Morris Plan legislation; the case of the party who had been collecting fees for placing loans through offices of members of our Association, and the communication with the Banking Department on the subject; also what part the Association took in exonerating loan associations from the alleged remarks made by a member of our legislature, claiming immoral practices forced upon borrowers by "landlords and loan agents."

The report contained a number of recommendations among which was the suggestion that a set of by-laws be acted upon.

Treasurer Long read a report of the finances of the Association.

Field Secretary DeWeese being called upon, delivered an address, showing condition of the business in this and other states, and treated on his efforts with the non-member licensees and stated that it appeared if the advantages of membership in our associations were made plain, and his work supplemented by local committee action, that it would be possible to get all desirable licensees as members of both the State and National Associations.

After some discussion it was decided to call a meeting early in the fall, at which time non-members will be invited to attend.

Dr. Mueller suggested that the Secretary prepare circulars to be sent to the non-members in the form of a series of questions, thus calling their attention to the work that the Association has been doing. This was agreed to.

The recommendations of the Secretary were then taken up. At this point Mr. East stated he had in his possession a draft of a set of by-laws which had just been adopted by the Associations in Maryland, Massachusetts, Pennsylvania and Connecticut, and the motion appointing a by-law committee was reconsidered, and the Association sitting as a whole, thus took up the proposed by-laws section by section, and with some minor changes they were adopted as the by-laws of the New Jersey Association.

Upon motion the name of the Association was shortened and the word "licensed" dropped. The name as now adopted is New Jersey Industrial Lenders Association. The Secretary was instructed to procure a new seal and that all literature and stationery printed hereafter bear the above title.

The question of the National Convention was brought up and several members spoke upon the advisability of having every licensee attend this convention.

Upon motion Secretary was elected delegate to represent the Association at the Chicago convention.

Chairman Whitstone announced that he was about to leave for a trip to South America, and expected to be away until next January. He tendered his resignation as chairman, but same was not accepted, and Brother Whitstone was prevailed upon to retain his office, Mr. Vogel as first vice-chairman to act upon matters in his absence.

Several members took this opportunity to compliment the chairman on the efficient manner in which he has conducted the business of the Association and a rising vote of thanks was taken. Field Secretary DeWeese was given a similar vote for his untiring efforts to increase the membership of this state.

After a general discussion regarding the business conditions in general, the meeting adjourned.

P. L. ALBERSE, *Secretary.*

STATE OF NEW JERSEY,
DEPARTMENT OF BANKING AND INSURANCE.
TRENTON, August 5, 1921.

JOHN W. WHITSTON, ESQ., *Chairman.*
N. J. Industrial Licensed Lenders Association, Frost Bldg., Plainfield, N. J.

DEAR SIR: I acknowledge on behalf of Commissioner Tuttle the receipt of your letter of the 4th instant relative to the case of H. ————, of Newark, and note your advices as to the outcome of the efforts of your Association to curtail the activities of this gentleman. This is good work, and the Association is to be commended for its action.

Yours very truly,

THOS. K. JOHNSTON,
Deputy Commissioner.

ADDRESSES WANTED.

Please look them over and let the National Secretary know if you can locate

any of these "Skips" for the reporting member:

Harrison White, wife Mollie, last address, 1050 Adams Ave., Huntingdon, W. Va. Occupation, contractor.

John Thornton, wife Lizzie, last address, London, Ohio. Occupation, contractor.

Ernest Weekly, wife Pearl, last address, Station A, Charleston, W. Va. Occupation, brakeman.

Charles Chapman, wife Della, last address, Huntington, W. Va. Occupation, repairs—pianos and organs.

Floyd Grubbs, wife Ethel, last address, Huntington, W. Va. Occupation, organizer of lodges.

James H. Kamplin, wife Alice, former address, Huntington, W. Va. Occupation, saw filer.

PHILADELPHIA, Sept 9, 1921.

To Our Members and Friends:

A Luncheon Meeting will be held at Adelphia Hotel, Philadelphia, *Thursday, September 15th,* 12:30 o'clock (daylight saving time), to which you are cordially invited.

SPEAKERS:

Mr. William Hirsch, Managing Director, the Federated Loan Association of Philadelphia. Subject: "The Operation of a Welfare Company."

Graham C. Woodward, Esq., of Philadelphia, member Committee to Consider Adoption of Chattel Mortgage Law in Pennsylvania, of Pennsylvania Bar Association. Subject: "Why Pennsylvania Should Have a Chattel Mortgage Law."

At the business meeting following Mr. James C. Lewis, of Philadelphia, will speak on a practical subject of interest to every outside and inside man. Other matters of interest will be presented for your consideration.

Make reservation for luncheon to-day, $1.50 per plate, on attached postal, and see that it reaches the secretary not later than Wednesday, September 14th.

Chairman East will preside.

Yours very truly,
PENNA. I. L. L. ASSOCIATION,
C. H. WATTS, *Secy.*

ILLINOIS INDUSTRIAL LICENSED LENDERS ASSOCIATION.
CHICAGO, Sept. 8, 1921.

Gentlemen:

With a firm conviction that your attending the National Association Convention this year is of vital importance to *you personally,* we hope to make this, our final appeal, a clincher for your decision, if you are still wavering between "shall I or shall I not."

When you do something which results beneficially to another person, you have a lasting and wholesome feeling in the matter. When you know by observation and experience that the thing you are urging the other fellow to do is going to, in the end, please and benefit him, you do not hesitate to be unusually insistent.

Do you not think everyone of us should be very eager to learn to do better those things which are necessary in the daily operation of our business and is it not true that an exchange of opinions and experiences among men in the same business is the best possible schooling? Then too, is not a unification of our efforts and interests, insurance to our future in the business?

For those who have never attended a convention, there are many revelations in store and if we can persuade every man who expects to continue in the business to come to Chicago for this grand meeting, we know unquestionably, that in doing so, we shall benefit first and chiefly the individual loan man, and secondly, the industrial loan business as a whole.

It is with these thoughts and sentiments in mind that we make a final, vigorous appeal for *your* attendance.

Very respectfully,
L. T. BAKER, *Secretary.*

It is sound, practical business judgment to support the National Association and to attend its conventions.

ILLINOIS INDUSTRIAL LICENSED LENDERS ASSOCIATION.
NATIONAL CONVENTION HEADQUARTERS COMMITTEE.
EDWARD M. STEIMLE, *Chairman.*
September 8, 1921.

It is very much desired that every licensee in the country give us an answer to the three questions appearing on the enclosed slip, which among others, will appear on the convention registration cards.

Because of the importance and nature of these subjects we are sending them to you at this time that you may have an opportunity to give them advance thought and deliberate consideration.

If you will *not* attend the convention, kindly *fill in* and mail the enclosed slip to the undersigned, *otherwise withhold* your answer until you register at the Drake Hotel, September 22, 1921.

Very truly yours,
E. M. STEIMLE, *Chairman,*
Headquarters Committee,
14 W. Washington St.,
Room 816, Chicago, Ill.

AMERICAN I. L. L. ASSOCIATION.
Member's Suggestion Memorandum for Program of Work.

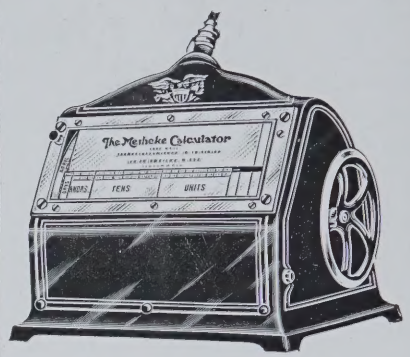
Please state below what the A. I. L. L. Ass'n should do for the U. S. A.

1st. What in your opinion as a member is the thing of first importance to be done by the A. I. L. L. Ass'n for the whole country?

2d. What in your opinion should be undertaken by the A. I. L. L. Ass'n to improve local conditions of direct importance to you?

In what manner and to what extent has the present business depression affected your individual business?

This is the last call for the Seventh Annual Convention of the American Industrial Licensed Lenders Association, which will be held at the Drake Hotel, Chicago, September 22d, 23d and 24th.



When at the Convention

You are invited to the exhibit of MEILICKE machines and devices. Calculators for figuring time and interest for all legalized states will be shown.

We want you to see the new PLATE MAGNIFYER now a part of all machines. This enlarges the type and does away with all eye strain. Can also be attached to machines now in use.

An attractive souvenir will be given each one, as well as a complete map of Chicago's loop district.

The William I. Marsh Co.
Meilicke Efficiency Devices
608 S. Dearborn Street,
Chicago, Illinois

APR 8 1922

INDUSTRIAL LENDERS NEWS

Official Organ American Industrial Lenders Association Which Is a Member of the Chamber of Commerce of the U. S. A.

Vol. VI. No. 4. OCTOBER, 1921. Price, $1.00 a Year.

THE SEVENTH ANNUAL CONVENTION

The Seventh Annual Convention of the American Industrial Lenders Association was held at the Drake Hotel, Chicago, September 22, 23 and 24. About 170 members and guests registered, while the banquet held Friday night, brought forth an attendance of approximately 300 members and guests, incidentally breaking all records for attendance at our previous conventions.

The registration cards disclose the fact that 17 states were represented and that much interest was taken in the questionnaire accompanying the registration cards. Among the answers, we find most all who registered are members of the National body and hold membership in local Chambers of Commerce and other business men's organizations. Practically no comment or criticism was made of the Model Uniform law. Opinion was divided on the question as to whether the National body should have precedence over State organizations in legislative matters.

Most everyone claimed acquaintance with members of State and National legislative bodies. Many interesting answers are on file in which the members have expressed their opinion with respect to the thing of first importance to be done by the A. I. L. A. for the whole country. Among them, a couple are given as being characteristic. Many members expressed the opinion that the Uniform Law should be sustained in the states where it has now been enacted, and efforts should be made to enact it in as many more states as is possible.

In answer to the second question relative to the improvement of local conditions, the answers were numerous and varied. Some believed that the National body should undertake a publicity campaign, while others believed the exposure of the small loan companies being promoted and conducted on misrepresentation, is equally important, while some others held that we should prove to the press of the nation that our business is legitimate; that we have the endorsement of the various state authorities in the states in which we are doing business just as any state bank has, and that we are under state supervision.

To the question "To what extent has the present business depression affected your individual business? the reply seemed to be in most cases that the demand for loans had increased, that collections had slowed up considerably, and that numerous applications had been received from the people out of work or only working part time.

The National Executive Committee expects to give serious study to the answers received to the questionnaire and will be guided in its formulation of a program for the coming year's work.

It is possible also that some of the most interesting answers will be published in the News in order to focus our members' attention on the idea involved.

The registration list included the following:—

California, San Francisco Remedial Loan Association, Albert C. Auger, San Francisco.

Connecticut, Equitable Industrial Loan Society, Thos. C. O'Brien, New Haven.

Georgia, Citizens Loan Society, George A. Wiley, Atlanta; Surety Loan Co., A. B. Madison, Atlanta.

Illinois, American Loan Co., Edw. M. Steimle, Chicago; James S. Baldwin, Decatur; State Examiner, E. Pearl Cartmill, Toledo; Central Loan Co., Arthur E. Paris, Peoria; Chicago Discount Co., C. T. Carlson, Chicago; Chicago Discount Co., M. S. Kent, Chicago; Chicago Finance Co., A. L. Weinschenk, Chicago; Chicago Finance Co., I. M. Rice, Chicago; Chicago Finance Co., L. B. Schollenberger, Chicago; Chicago-Household Loan Co., Chicago Mortage Loan Co., James D. Lynch, Chicago; D. H. Rose, Chicago; Citizens Loan Association, W. A. Crews, Chicago; Citizens Loan Association. John A. Breen, Chicago; Citizens Loan Association, Henry C. Ohlendorf, Chicago; Citizens Loan Assn., Chas. A. Leatzow, Chicago; Citizens Loan Assn., K. J. Phelan, Chicago; Citizens Loan Assn., A. O. Bond, Chicago; Citizens Loan Assn., A. B. Monroe, Chicago; Commercial Loan and Guaranty Co., Gerald A. Rolfes, Chicago; D. D. Drake, Chicago; Arthur A. Erd, Chicago; C. C. Erd, Jno. T. Monahan, Chicago; C. C. Erd, R. C. Oxenham; Chicago; C. C. Erd, John T. Daly, Chicago; Fidelity Loan Co., A. G. Kilzer, Chicago; Fidelity Loan Co., F. E. Tyson, Danville; Fidelity Loan Co., Nathan Albrecht, Peoria; Fidelity Loan Co., R. A. Baughman, Rockford; Forest City Loan Co., L. C. Cole, Rockford; H. M. Criswold, Springfield; Guarantee Loan Co., F. J. Biederman, Chicago; Guarantee Loan Co., A. H. Williams, Chicago; L. C. Harbison, Chicago; B. E. Henderson, Chicago; Mrs. Fred Huettmann, Chicago; Fred Huettmann, Chicago; Illinois Investment Co., Paul P. Schissing, Chicago; Illinois Investment Co., Chas. Turgrimson, Chicago; Imperial Credit Co., A. P. Snite, Chicago; O. W. Inman, Peoria; Joliet Loan Co., J. D. Smith, Joliet; E. J. LeClaire, Chicago; A. H. Lenz Co., A. L. Paget, Chicago; Local Loan Co., Fred B. Snite, Chicago; Mason Financial Co., L. B. French, Chicago; Mutual Security Co., H. P. Keller, Chicago; Mutual Security Co., C. F. Keller, Chicago; National Loan Co., C. A. Miller, Peoria; Charles R. Napier, Chicago; Quick Service Loan Co., T. B. Ward, Jr., Chicago; Reliance Loan Co., L. H. Heywood, Chicago; Roseland Loan Co., J. B. Skinner, Chicago; Star Loan Co., C. O. Bodine, Joliet; State Loan Co., C. J. Flynn, Aurora; State Loan Co., J. H. Gray, Joliet; State Loan Co., F. J. Case, Elgin; H. J. Carr, Jno. B. Wallbridge, Hoopeston; Mrs. Arlene Ward, Chicago; T. B. Ward, Chicago; A. H. Williams, C. B. Burch, Chicago; William P. Woll, Chicago.

Indiana, American Loan Co., S. F. Smith, Evansville; American Loan Co., Roy F. Hartz, Indianapolis; J. H. Aufderheide, Indianapolis; R. C. Aufderheide, Indianapolis; Amos A. Brooks, Michigan City; Benj. Blumberg, Terre Haute; Max Blumberg, Terre Haute; Capitol Loan Co., L. L. Bishop, Indianapolis; Capitol Loan Co., Francis L. Thompson, Shelbyville; Chattel Loan Co., Paul C. Page, Marion; Clupper Loan Co., Frank L. Blue, Marion; Clupper Loan Co., Geo. L. Clupper, Marion; Clupper Loan Co., Paul W. Lytle, Marion; Crescent Loan & Investment Co., William J. Mace, Evansville; Fidelity Loan Co., C. H. Stratton, Sullivan; Leo P. Harrington, Portland; Indiana Collateral Loan Co., F. J. Schurman, Indianapolis; Indianapolis Finance Co., H. C. Mitchell, Indianapolis; Jefferson Loan Co., John McGregor, Madison; Thomas M. Kaufman, Indianapolis; Knox County Real Estate & Loan Co., F. E. Jarvis, Vincennes; Legal Loan Co., Robert J. Spencer, Jr., Marion; Legal Loan Co., A. C. Broughman, Marion; Milligan Finance Co., Wm. F. Milligan, Ft. Wayne; Model Loan Co., W. R. Hancock, Indianapolis; Provident Loan Assn., W. G. Chandler, Elkhart; Provident Loan Assn., Chas. L. Ganser, Hammond; Provident Loan Co., W. A. Zumpfe, Michigan City; Provident Loan Assn., W. H. D. Cottrell, South Bend; Security Mortgage Loan Co., Arthur R. Dana, Indianapolis; Security Loan Co.,

(*Continued on page 2.*)

INDUSTRIAL LENDERS NEWS

Established 1916.

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Correspondence and items intended for publication should be addressed to Geo. W. Kehr, 204 Chestnut St., Harrisburg, Pa.

NATIONAL OFFICERS, 1921-1922

Chairman, W. G. Wood, 268 Westminster St., Providence, R. I.
Treasurer, C. H. Stratton, Sullivan, Indiana.
Secretary, G. W. Kehr, 204 Chestnut St., Harrisburg, Pa.
Field Secretary, H. G. DeWeese, 1948 N. High St., Columbus, O.

VICE-CHAIRMEN.

Conn.—T. C. O'Brien, 113 Church St., New Haven.
Ga.—A. B. Madison, 103 Central Bldg., Atlanta.
Ill.—L. C. Harbison, 81 E. Madison St., Chicago.
Ind.—Robert Spencer, Jr., Grant Saving & Trust Co., Marion.
Iowa.—T. J. Harrison, 115½ E. 4th St., Waterloo.
Md. H. T. Mattingly, 322 Equitable Bldg., Baltimore.
Mass.—W. E. Pool, 63 Court St., Boston.
Mich.—F. E. Stroup, 507 Commercial Bank Bldg., Grand Rapids.
N. J.—J. W. Whitstone, Frost Bldg., Plainfield.
Ohio.—Col. R. V. Barto, Columbus.
Pa.—E. P. East, 175 Fifth Ave., New York.
R. I.—W. G. Wood, 268 Westminster St., Providence.
Va.—W. F. Bradshaw, 105 W. Main St., Norfolk.
W. Va.—Wirt V. Hawkins, 301 Wheeling Bank & Trust Bldg., Wheeling.
Unorganized States.—R. M. Rutherford, 175 Fifth Ave., New York.

COMMITTEE CHAIRMEN.

Auditing, H. T. Mattingly, 322 Equitable Bldg., Baltimore.
Finance, W. P. Woll, 337 W. Madison St., Chicago.
Law, F. R. Hubachek, Esq., 610 McKnight Bldg., Minneapolis, Minn.
Legislation, C. H. Watts, 1011 Chestnut St., Philadelphia, Pa.
Publicity, E. P. East, 175 Fifth Ave., New York.
Membership, J. H. Dyer, 404 Commerce Bldg., Columbus, Ohio.

The National Council is composed of the National Officers, Vice-Chairmen, and Committee Chairmen.

SEVENTH ANNUAL CONVENTION.

(Continued from page 1.)

J. W. Eastep, South Bend; State Loan Co., Geo. W. Farrington, Indianapolis; State Loan Co., H. H. Burrell, South Bend; State Loan Co., A. V. Keeney, South Bend; J. K. Stephens, Indianapolis; Teel System, William R. Teel, Indianapolis; Welfare Loan Society, A. A. Scheib, Portland; Willis Dean Loan Co., Harry S. Staley, Marion.

Iowa, Provident Loan Association, A. L. Whitmer, Sioux City; State Loan Co., Tate J. Harrison, Waterloo.

Kentucky, Peoples Provident Loan Assn., Chas. E. Reed, Louisville.

Maryland, Chairman, Maryland Industrial Lenders, H. T. Mattingly, Baltimore; Co-Operative Loan & Inv. Co., E. E. Hougham, Baltimore; Peoples Loan Society, H. H. Larsen, Baltimore.

Massachusetts, John W. Litchfield, Worcester; National Equitable Inv. Co., R. M. Rutherford, New Bedford; American Loan Co., Daniel J. Wholey, Lowell.

Michigan, Chattel Loan Co., F. E. Stroup, Grand Rapids; Detroit-Mortgage Loan Co., J. A. Macbeth, Detroit; H. H. Jordan, Grand Rapids; Kalamazoo Loan Co., Harry D. Firth, Kalamazoo; Adelbert Mosher, Lansing; State Loan Co., W. G. Stevens, Detroit.

Minnesota, St. Paul Loan Co., E. J. Ruppel, St. Paul.

Nebraska, Omaha Loan Co., J. H. Wasserburger, Omaha; Provident Loan Society, W. E. Palmatier, Omaha.

New Jersey, Beneficial Loan Society, George Hodson, Newark; Protective Investment Co., P. L. Alberse, Paterson.

New York, Chattel Loan Society, Geo. H. Loh, New York City; Cosmopolitan Personal Loan Co., S. W. Leithorn, Buffalo; Keefe, Elliott & Co., E. T. Brockman, New York City; R. C. Raby, New York City; Provident Loan Society, Fred A. Phillips, Rochester.

Ohio, John P. Aikin, Bellefontaine; Akron Finance Co., Thos. C. Carroll, Akron; Beneficial Loan Society, Wm. J. Stoddart, Cleveland; Canton Collateral Loan Co., L. V. Busche, Canton; Capitol Loan Co., R. V. Barto, Columbus; Capitol Loan Co., L. K. Osborne, Columbus, Citizens Finance Co., J. N. Woodruff, Cleveland; City Loan & Savings Co., T. R. Schoonover, Lima; City Loan & Savings Co., J. H. Harvey, Lima; Community Collateral Loan Co., Frank P. Slyth, Toledo; Hamilton G. DeWeese, Columbus; Home Chattel Loan Co., John W. Keller, Zanesville; Industrial Loan Co., J. E. Roby, Columbus; Interstate Collateral Loan Co., C. C. Woodley, Toledo; Mansfield Provident Co., M. L. Anderson, Mansfield; Northeastern Finance Co., A. V. Hillyer, Ashtabula; Col. D. H. Pond, Cleveland; Provident Collateral Loan Co., H. S. Miller, Dayton; Provident Loan Co., Anna C. Zumpfe, Warren; Springfield Collateral Loan Co., J. Fred Anderson, Springfield; Welfare Loan Societies, C. M. Kelly, Lakewood; Youngstown Loan Co., R. L. Buckley, Youngstown.

Pennsylvania, Co-Operative Loan & Investment Co., Geo. W. Kehr, Harrisburg; Harry L. Drake, J. O. Collier, Philadelphia; Emergency Loan Co., Howard C. Roberts, Norristown; Guarantee Loan Co., James A. Lyons, Philadelphia; Guarantee Loan Co., V. D. Moss, Philadelphia; Guarantee Loan Co., M. L. Dobyns, Philadelphia; Guarantee Loan Co., A. H. Thale, Pittsburgh; Guarantee Loan Co., John M. Franco, Wilkes-Barre; Guarantee Loan Co., Howard Brown, Philadelphia; National Equitable Investment Co., Edgar P. East, Philadelphia; National Loan Co., C. H. Harris, Pittsburgh; Peoples Finance Co., Arthur L. Wick, Philadelphia; Provident Loan Co., Alfred S. Ezekiel, Philadelphia; Charles H. Watts, Philadelphia; Fred L. Wright, Lancaster.

Rhode Island, Household Loan Co., Watkins G. Wood, Providence.

The labels by which we were known were handsome metal badges, suspended on white satin ribbon. The design included the words, "Chicago, September, 1921, The Seventh Annual Convention, American Industrial Licensed Lenders Association" and a facsimile reproduction of the Municipal Pier, extending out in Lake Michigan from the City.

The Convention proper was a little slow to start Thursday morning, but when once under way, there wasn't an idle moment. The addresses, papers, discussions, and entertainment were of a very high order and in this connection, all who participated in the program are to be congratulated, yet if there is any glory due for the success of this occasion, it belongs to the Illinois Association, its active committees and individual members who in some way or other had a part in making the Convention the greatest ever.

The much heralded L. V. Busche, Manager of the Canton Collateral Loan Company was there with all that he possesses, including much "pep," many good songs and a happy disposition. Mr. Busche's part in the program proved to be one of its most interesting features. His song "Loans" and "Arthur H. Ham's Dream," seemed to be the most popular of his repertoire.

The changes made in the Constitution and By-Laws included the shortening of the title of the organization by the omission of the word "Licensed" and increasing the Executive Committee from five to seven members: the Chairman of the Membership and Publicity Committees having been added to the Execntive Committee. The discussion with respect to changing the method of dues proved to be very interestingg but apparently the majority of those in attendance believed that the method should remain for the present as it is written in the Constitution.

New York City was chosen as the meeting place for the next Annual Convention by unanimous consent.

National Chairman, C. H. Stratton, Sullivan, Indiana, called the Convention to order about 10:40 A.M., Thursday, September 22. Opportunity was at that time given for everyone in attendance to meet his neighbor, while Mr. Busche had everyone on his feet singing America.

General Abel Davis, Vice-President of the Chicago Association of Commerce was unable to be present at the morning session to deliver the address of welcome, but appeared in the afternoon at two o'clock and delivered a very interesting address. Mr. L. T. Baker, Secretary of the Illinois Association, Chicago, welcomed the delegates to Chicago in behalf of the local organization. Mr. Baker's address though brief, was cordial and made everyone feel at home while in Chicago.

The National Chairman's response was given in his usual happy, humorous style. His report, reviewed briefly the activities of the Executive Committee since the preceding Convention, and touched the high spots in the legislative field. Mention is made of the selection of the Field Secretary and of his accomplishments since employed. Publicity, finance and other matters of importance were brought to the attention of the Convention. Mr. Stratton concluded his report with the following words:

"I want to be brief and will end my report by saying, as retiring Chairman I want to thank the members for the high honor they have bestowed upon me by electing me Chairman for the past two years. It is, indeed, an honor to be selected unsolicited the head of a National Body which has to do with the kind of business you have given your life to, and I want you to know that I feel that way about it. The co-operation you have given me is perfect, I could not ask for better, the personal courtesies most kind and considerate. The personal acquaintances and friendships are worth more to me than all the gold in the

world. I am a rich man, not in dollars but in friends.

"Our work is just begun. We have merely scratched the soil, there is much to do. Our accomplishments have been wonderful with the tools we have had, but give us proper tools and anything is possible. I expect to live to see the day when good and fair loan laws will be written upon the statute books of every state in the Union and when the American Industrial Lenders Association will have thousands of loyal members scattered in every state in our republic.

"The fruition of these noble aims are peace, happiness, love and prosperity. The hand that smooths the pillow is the hand that points the way, and this way will be strewn with noble deeds and acts of kindness.

"In the tawny dusk of declining years, when memory; the homing pigeon of the soul, brings us the cherished messages of by-gone days, the one most praised will read 'they lived to help their neighbor,' and I shall look back with a smile of satisfaction and happiness."

L. T. Baker's report for the Membership Committee showed that the Association had grown from 219 to 385 members during the year; a gain of 166 or more than 75% increase. Mention was made of the good work of the Field Secretary, Mr. DeWeese and the coöperation received from Messrs. Henderson in Illinois, Hartz in Indiana, Clark in Iowa, and Mueller in Pennsylvania.

The report of the Chairman of Legislation, C. H. Watts, Philadelphia, showed that "During 1921 no less than forty-two State Legislatures have been in session. We were directly represented by members or through those vitally interested in nineteen of the forty-two states, namely, Colorado, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Massachusetts, Michigan, Minnesota, Nebraska, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Tennessee and West Virginia. "In so far as we are informed there was no legislation of interest in the remaining thirteen states."

Mr. Watts concluded his report by summarizing briefly the results in states in which there was legislative activity.

The publicity before and since the Convention, both local and national, was very well done; some of the items given out being quoted editorially in papers far removed from the seat of the convention. The "Chicago Commerce," the weekly publication of the Chicago Association of Commerce in its issue of September 17, gave a very interesting account of the Convention. It also included an account of the National Federation of Remedial Loan Associations Convention. "This Week in Chicago," a weekly publication, in its issue of September 18, featured the Convention, its cover page bearing the following inscription, "Nation wide interest is being centered upon the small loan business, Thursday, Friday and Saturday of this week during the Seventh Annual Convention of the above Association, at Drake Hotel," and the contents gave a very good write up of the organization and its purposes.

Being unable to be present at the Convention on account of another imperative engagement, F. R. Hubachek, Minneapolis, sent a letter expressing his regrets and saying that there was nothing that he could do or say except to repeat what he had already done and said so far as the work of the Law Committee is concerned. A resolution was adopted expressing the Association's appreciation of Mr. Hubachek's services in connection with the drafting and sustaining of good small laws in this country.

W. G. Wood, Providence, Chairman of the Publicity, as well as J. H. Dyer, Columbus, Chairman of the Finance Committees, had no specific reports covering their particular Committees, as the work undertaken during the year was handled by the Executive Committee.

At this point, the Convention was advised of the illness of Judge Dyer, who shortly after his arrival in Chicago, became seriously ill at his room in the Morrison Hotel, and was confined there two days and finally obliged to go to his home in Columbus, Ohio, without being able to participate in any part of the Convention. A resolution was adopted expressing the Association's sympathy, and the hope that the "Judge" would soon recover his normal health. Later advice received from "Judge Dyer" was to the effect that he arrived home safely and was on the mend.

The report of the National Treasurer, J. H. Aufderheide, and the Auditing Committee is as follows:

REPORT OF THE NATIONAL TREASURER

J. H. Aufderheide, Indianapolis, Ind.

September 15, 1921.

Receipts

Cash balance September 20th, 1920.		$3,448 51
Dues paid by Connecticut Association,		400 00
Dues paid by Georgia Association,		230 00
Dues paid by Illinois Association,		2,730 50
Dues paid by Indiana Association,		2,316 50
Dues paid by Iowa Association,		221 50
Dues paid by Maryland Association,		732 00
Dues paid by Massachusetts Association,		135 25
Dues paid by Michigan Association,		562 20
Dues paid by New Jersey Association,		569 50
Dues paid by Ohio Association,		2,198 77
Dues paid by Pennsylvania Association,		3,338 75
Dues paid by Rhode Island Association,		270 00
Dues paid by Virginia Association,		431 50
Dues paid by West Virginia Association,		245 00
Dues paid by Individuals,		848 04
Subscriptions to LENDERS NEWS,		108 70
Advertising in LENDERS NEWS,		24 00
Net Profit on Sales of Year Books,		103 00
Special Contributions,		5,300 00
		$24,213 72

Disbursements

Stationery, supplies, postage,		$963 13
Office Rent,		216 00
Salaries and services,		2,432 00
Traveling expenses,		1,883 03
Printing LENDERS NEWS,		1,102 74
Miscellaneous expenses,		335 63
Publicity and attorney fees,		7,157 67
Field Secretary, Salary,	2,400 00	
Field Secretary, Expenses,	3,136 97	
		5,536 97
Cash Balance September 15th, 1921.		4,586 55
		$24,213 72

INDIANAPOLIS, IND., September, 16, 1921.

Mr. J. H. Aufderhide, Treas.,
American Industrial Licensed Lenders Ass'n.,
Lemcke Annex, City.

DEAR SIR:

This is to advise you that at the close of business, September 15th, our books showed your balance to be $5,225.77.

Yours very truly,
H. E. SUTHERLIN,
Assistant Cashier.

CHICAGO, ILL., September, 22, 1921.

This is to certify that the account of J. H. Aufderheide, Treas., of American Industrial Licensed Lenders Association have this day been audited by me, and found to be correct.

Total Receipts for year,		20,765 21
" Disbursements "		19,627 17
		$1,138 04
Balance on hand Sept. 20, '20,		$3,448 51
Tot., Bal., on hand Sept., 15, '21.		$4,586 55

This balance is verified by a letter from the Fletcher American Nat., Bank of Indianapolis.

R. M. RUTHERFORD,
Chairman Auditing Committee.

On motion duly seconded, the report of the National Treasurer was accepted with thanks.

The Secretary's report referred briefly to the progress made during the past year, in which he pointed out that of the 166 new members, the Field Secretary had been successful in securing 109.

He also gave a list of the number of members in each state which shows the membership to be distributed as follows:

Indiana, 80; Ohio, 71; Illinois, 65; Pennsylvania, 55; Maryland, 17; New Jersey, 15; Michigan, 13; Virginia, 12; Iowa, 11; West Virginia, 9; Georgia, 8; Rhode Island, 7; Massachusetts, 6; Kentucky, 5; Connecticut, 4; Minnesota, 2; Nebraska, 2; Arkansas, 1; Colorado, 1; Washington, 1.

According to the amount contributed to the support of the National body, reference should be made to the National Treasurer's report above for the relative standing of each state. After a nip and tuck race with Illinois all year, Pennsylvania finally landed in first place.

By the use of a map prepared by the Illinois Association, the Secretary pointed out that there were approximately 27 states now which have small loan laws, half of which have the Model Uniform Law and the other twenty-five per cent have fairly satisfactory laws, while in the remaining 25 per cent, the laws are not satisfactory and should be amended.

SEVENTH ANNUAL CONVENTION
BANQUET
AMERICAN INDUSTRIAL LENDERS' ASSOCIATION
DRAKE HOTEL, CHICAGO, ILL.
SEPT. 29, 1921

The Secretary read the rules which will govern the attendance trophy until other rules replace them. Here they are:—

1. The contest shall be open to all state associations which are members of this organization.

2. Only persons actually representing offices holding membership in the national body shall be considered eligible.

3. No one person can represent more than one office holding membership and the office represented shall be the one located in the state where he has his headquarters or resides, provided however, any delegate whose headquarters or residence is located in a state in which he has no office, he may elect to represent any one of the states in which he has an office.

4. The trophy shall be awarded and kept by it in custody for one year to the state which has in attendance at the national convention, the greatest percentage of its membership in physical attendance.

5. The National Executive Committee shall govern the contest.

The proposed amendments to the Constitution recommended by the Executive Committee were reported at this time. The Secretary also complimented the Illinois Association upon the splendid manner in which they had taken hold of the burden incident to the promotion of the success of this event from the date the invitation was received until the time of the Convention. Attention was called to the favorable publicity received during the last year both in magazine articles and editorials in support of the Uniform Law wherever legislation was pending.

The National Chairman appointed a nominating committee, with W. A. Zumpfe as Chairman, and A. Smite, Watts, Harrison, Col. Pond, Rutherford and Mattingly. A Committee was also appointed with Mr. Watts as Chairman, and Messrs. East and Tyson to consider changes in the Constitution and By-Laws to report back to the Convention the next morning.

During the morning, the ladies were entertained by Mr. Burch's Committee with a tour through Marshall Field's Department Store, after which they were the guests of the Illinois Association in the Narcissus Tea Room at Marshall Field's.

On Thursday, Sept. 22, at 2 P. M. before proceeding with the serious part of the afternoon's program, Mr. Busche, with the help of the songsters, entertained the Convention with some spirited songs.

On account of imperative personal business, W. S. Hilborn, Esq., acting Director of the Division of Remedial Loans, Russell Sage Foundation, New York, was unable to be present, but his paper, "The Year's Progress and the Uniform Law" was read. In discussing this subject, Mr. Hilborn said in part:

"I think it can be stated without contradiction, therefore, that a majority of the inhabitants of the United States are now operating under the Uniform Small Loan Law, and that the future is simply to extend the benefits of the law to such states as contain enough large cities to make it necessary to remedy the existing small loan evil in those states."

"I am convinced, as a result of my three years' experience, that there is but one difficulty which will ever meet us in securing the enactment of the Uniform Bill, and I know in saying it that I am saying nothing new, that is, in convincing the public of the necessity of the rate of three and a half per cent on small loans.

"There are but two major arguments which can be used to overcome this objection:

"One is that though apparently high, three and a half per cent per month on unpaid balances is much less than is now being charged by the unregulated lender. This argument, however, must be supplemented by valid arguments of the relative necessity of the rate, and this argument can be supported only by figures which demonstrate that at a lower rate, the business cannot be successfully carried on.

"We have no available statistics which can be used for this purpose, except the published statistics of the Remedial Loan Societies, and they are of considerable value. They must, however, be supplemented by the figures of the small loan companies, which operate upon a commercial basis. With these figures to show recalcitrant legislators, I am convinced that within the course of a few years every state which suffers from the small loan evil will see the light."

The Convention was very much pleased with Mr. Albert C. Auger's paper on "The California Situation." Mr. Auger has been in a position to see that conditions have not been improved by the Referendum Law in California, but have been made very much worse than they were before. This and all other papers will be printed in full in the 1921 Year Book, so all we can do is merely quote one or two extracts.

"You know, we Californians are prone to boast. Wherever you go along the lanes of travel, the Native Son is always very much in evidence, and particularly if he is from Los Angeles, although I know as an actual fact, California bred Californians are fast becoming extinct in that fair city, due entirely to the rush of Iowans and Missourians and others who are populating the place with the idea of creating what will be known as the Southern California Metropolis of the Mississippi Valley. The fact that I am from San Francisco should be proof positive that I am not appearing before you as a press agent for our sister city in the south; indeed, I am not before you to-day in the role of a 'Booster,' although nothing could make me happier than to tell you all about San Francisco, how we believe in our city and its destiny, and cherish it as the only real Paradise on Earth, where life is one hundred per cent perfect and you feel it's worth the struggle to live and enjoy it.

"To-day, instead of lauding our Golden State to the skies, I am compelled to do a little knocking, but considering that conditions actually warrant the use of the hammer, I can return home next week with an absolutely clear conscience. We can be boastful and justly proud of our climate, our fruits and our flowers, but when it comes to small-loan legislation, we are without the pale complete ly."

The Field Secretary made his initial report covering the time of his employment since January to the date of the Convention. His travels took him over some 22,000 miles and resulted in increasing the membership during that period, 75%, besides having brought the State and National Associations closer to individual operators. He detailed the exact time, miles and money required to cover all the trips that he made, touching practically all the states in which we have members.

On Thursday evening, 7:30 to 8:30, the Law Suit between Bedelia Hucenslicer and Amos Keeter, before Judge U. B. Dam and Jury, took place in the Ball Room and was well attended by the men and women who made up the Convention party. This bit of comedy worked in very well with the serious and other entertaining features of the Convention. J. R. Harvey as Bedelia Hucenslicer was by all odds the star actor of the Ohio troupe. L. V. Busche as the sheriff also handled his part like a professional while J. Fred Anderson as Judge U. B. Dam came in for some of the applause too. Col. D. H. Pond acting as counsel for the plaintiff did very well, considering that he was substituted for "Judge" Dyer at the eleventh hour. C. C. Woodley, counsel for the defendant fought vigorously for his client. The jury included such notables as Babe Ruth, Tettrazinni, Charlie Chaplin, Mary Pickford Fairbanks, and others.

After this fun was over, the dancing began and kept up until midnight. Some of the men and women of the party who had not danced for years were tempted by the excellent music and before they knew it they were gliding over the highly polished marble floor.

Friday morning, Sept. 23 at 10 A.M., after a good Busche start, the program sailed along fine; H. T. Mattingly of Baltimore, being the first to read an excellent paper on "Business Efficiency." Mr. Mattingly summed up the essential qualities of an efficient business manager as follows:

"First—Physical condition, mental and moral.

Second—Energy, forcefulness in spirit and conduct.

Third—Enthusiasm, earnestness in pursuit of one's object. Success.

Fourth—Industrious, constant and assiduous attention to business.

Fifth—Honesty, a disposition to deal frankly and honorably at all times."

"The Industrial Loan Companies' Part in the Readjustment" was the subject of a paper read by W. G. Stevens, Manager of the State Loan Co., Detroit, Mich. One of the interesting paragraphs taken from Mr. Stevens' paper is as follows:

"Let the people who have cast reflections on the loan business follow us for one day, and they will be surprised when they see the tragedies of domestic life that have been averted by the helping hand of the loan companies. The first stop is a small house in the shadow of some large factory. The man has just returned to work after several months of unemployment, he owes back rent. The landlord has served notice to vacate, but he has no money to pay the rent he owes, or money to pay down to rent another house. One hundred dollars

retains the house and keeps his furniture from being set in the street, and he is able to work more efficiently because his mind is relieved of his financial troubles. Next is where the wife is seriously ill, and money is needed before she can get the proper medical attention. Then we drive to a better neighborhood. This man wants to lay in his winter's coal, by paying cash, gives more business to the coal man, who always needs money in the summer. The next place is a man who has a large family of children, and cannot rent a flat, because barring families with children has been the rule of most landlords, and he is compelled to buy a small home, but needs another $100 to complete the first payment down. Next is a widow who is paying for her home by keeping a few roomers, the roomers were out of work, and could not pay her, consequently, her payments on the home are in arrears, and she would have to pay up at once, or lose her home. Next, is a small business man who borrowed money several years ago to go in business, found he had bought a little too heavy, and needed some money to tide him over to save his credit with the wholesale houses. Next, is a man that had met financial reverses, and his home was about to be sold because he couldn't pay his taxes, and meet the payment on the mortgage on his home at the same time. These cases and many others are only proof that the loan companies extend credit to people when they need it most, and by so doing have kept the home fires burning, and the inmates contented, and dismissed from their minds the restlessness that only terminates in following the red flag that has wrecked many nations in the past five years, for when a man is depressed, he is an apt pupil to lawlessness."

The surprise of the Convention was the able discussion of a young man by the name of G. W. Farrington, manager of the State Loan Co., Indianapolis, Indiana, on the subject of "Building Your Business on Good Will." Who can tell but what this young man is destined to shine among the men who have made the Hoosier State famous? Although his address was delivered without notes, a copy of it was taken down for publication in the Year Book. Until the Year Book is published, this quotation from Mr. Farrington's address will have to suffice:

"A friendly attitude will attract customers more quickly and more effectively than any other asset you possess.

"Does the grouch get rich quicker than the friendly sort of man?

Can the grumbler labor better than the cheerful fellow can?

Is the mean and churlish neighbor any cleverer than the one who shouts a glad 'good morning' and then smiling passes on?

Just stop and think about it. Have you ever known or seen

A mean man who succeeded just because he was so mean?

When you find a grouch with honors, and with money in his pouch,

You can bet he didn't win them, just because he was a grouch."

At one o'clock, the entire Convention including members and guests enjoyed a splendid luncheon as the guests of the Illinois Association. At this time, in addition to stunts which "Busche" was responsible for, Mrs. L. K. Osborne of Columbus, Ohio, who has a fine contralto voice, sang very effectively "Alice Blue Gown." Judge James S. Baldwin of Decatur, Ill. delivered a brief address at the conclusion of the luncheon.

Friday, September 23, 2 P.M., Tate J. Harrison, Chairman of the Iowa Association, Waterloo, gave a very interesting account of the work incident to the enactment of the Uniform Law in his state. This is just a glimpse of what Mr. Harrison said in his discussion of this subject:

"We know in Iowa, as you know in other States where the Uniform Law is in operation, that we have the best law that has so far been evolved in the history of our business, and we are going to guard it jealously until we are shown something better. There maybe in the future something better to take its place, but until then we are satisfied in Iowa."

"Judge" Dyer had a very fine paper on the subject of "The Necessity of a National Organization" but during his absence, it was read by the National Secretary. Just one brief paragraph will serve to give us a taste:

"My subject confines me to a discussion of the "necessity for a national organization." Necessity, it is said is the mother of invention, as it is also of almost every other useful thing in this world. The necessity which compelled the formation of our organization in 1916, may be properly described as both protective and beneficial. Protective—because it was necessary for some commanding influence to reach out its strong arm to encircle and protect the small loan business in legislative halls, before state departments and in the courts and contact social life in every state. Beneficial—because through the avenues of this association the small loan men might find a way to develop their strength, and realize the powerful help each would be to the other when united by a common purpose."

The Chairman of the Michigan Association, F. E. Stroup, Grand Rapids, gave a very interesting account of the enactment of the modified Uniform Law in Michigan this year. Aside from the facts covering the Michigan legislative campaign Mr. Stroup makes some very interesting observations, one of which is quoted from his paper:

"Special State laws are absolutely necessary in every state that expects to attract desirable capital to engage in the small loan business. Without such laws, there is no standing in the courts, contracts cannot be enforced and an adequate return on invested money cannot be assured. As practically all financial institutions in a state operate under special laws it is not unusual or significant that a loan company should do the same thing. The difference is that these other financial institutions do not have to go before practically every session of every legislature of every state and defeat a proposed law which if passed would put them out of business."

In the absence of C. G. Mueller, Philadelphia, C. H. Watts read his interesting paper entitled, "Helping Each Other." Here is one of the numerous good points made in this very able paper:

"You can and should take your share of the responsibility in all of the other

vital questions of the day but it is up to you to shoulder some of the responsibilities of the vicious, unreasonable and unjust attacks that are persistently made upon legitimate lenders by the ignorant or professional agitator. Most of our troubles arise from the fact that we do not know or make any effort to know or help to carry the other fellow's burdens or problems. Are you willing for other lenders who are members of State and National Associations to make the sacrifice of time from their business, entail the expense incidental to attending this Convention for the purpose of advancing this wonderful instrument in molding public opinion in the interest of your business, while you are masquerading?"

The Convention was very much edified by the discussion of the suggested "Uniform Pawnbroking Bill" by R. C. Raby, Esq., of the Provident Loan Society, New York City.

Prior to the opening of the general discussion of "Publicity" by Benjamin Blumberg, R. D. Hebb of the Public Relations Department of Swift and Company, Chicago, gave a very instructive talk on the subject of "Publicity." Mr. Hebb's long experience as a newspaper man and as a publicity expert, lent much authority to the statements which he made. He also obligingly answered numerous questions which the members asked him in regard to publicity. One of Mr. Hebb's significant statements was as follows:

"One of your speakers this noon at the luncheon said that ten years ago you would have surrounded yourselves with guards and not let the public know what you were doing. Ten years ago the packers did practically that. Not that there was anything to conceal, but for the simple reason that they regarded their business as a private business, just as you gentlemen do. They said, 'What we do, as long as we give service and goods and quality, is none of the public's business.' Times have changed, gentlemen. It is the public's business. Whether we sell a pound of meat or whether we lend a dollar in cash, it is the public's business. And about six years ago we began to wake up out in the Stock Yards, and we decided the public was entitled to know just what we were doing."

By common consent, Mr. Benjamin Blumberg's paper on "Publicity" was regarded as a masterpiece. Only one of many of Mr. Blumberg's interesting observations can be given here. The whole paper will appear in the Year Book.

"The appearance of Mr. Collins' article in the SATURDAY EVENING POST although wholly unsolicited by this Association and coming as a surprise to its officers certainly marks a climax and turning point in its history. This Association has long hoped for recognition of a sympathetic nature in a nationally recognized medium and this has finally come —the ice is broken. Our business has been analyzed, justified, put in its proper place in the economic field and described in a dignified way in the magazine which has the largest circulation and perhaps the largest number of readers in the United States. We are not like Lot's wife, who, upon looking back, became a pillar of salt. We may have looked backward too long—but we are not yet changed to salt. We can still turn and look forward."

Judging from the attendance, the banquet held Friday evening proved to be the most interesting feature of the whole Convention. The Illinois Association was responsible for practically all the details. First, they engaged a printer who understands how to put art into his work, for the menu was a beautiful piece of work, being enclosed in an attractive brown cover paper, sewed with brown silk cord, with the inscription "Seventh Annual Banquet, American Industrial Licensed Lenders Association, September 23, 1921," and the initials "A. I. L. L. A." enclosed in a circle, and "Drake Hotel, Chicago" at the lower left hand corner. The menu was made up as an attractive folder. On the inside first page was a reproduction of the famous Wrigley Building, Chicago. On the third inside page was a photographic cut of Arthur H. Ham, Vice-President, Provident Loan Society, New York, and former Director of the Division of Remedial Loans of the Russell Sage Foundation, New York, under which was a quotation from "Cymbeline," "I beseech you all be better known to this gentleman." On the back cover page, folded in, was this Greeting, a quotation from Shakespeare, "Friends, You are welcome to this house; It must appear in other ways, than words, Therefore, we scant this breathing courtesy."

The menu itself started out with the words from "Henry VIII," "This so noble and so fair assembly, This night to meet here." Then the following menu and program appeared, and also the Committees active in all affairs incident to the Convention, the songs, etc.

MENU

Canape Cardinal
Celery Nuts Olives
Petit Lunch

Consomme Mocadore
A coup sur—Woll
"Make your soup be quiet, whether it will or not."—Anon.

Filet of Sole Bonne Femme
Aere Perennius—Kehr
Hac lege—Aufderheide

Breast of Chicken—a la Stratton
Peas Potatoes

(Fish Dinner, if Desired)
(Ailble—Monahan)

Combination Salad
A bon droit—Harbison
"My appetite comes to me while eating."
—Montaigne
Bombe Vanille Cakes

Strawberry Sauce
a la mode—Snite-Baker-Burch-Steimle

Demi Tasse, Turgrimson

Cigars Cigarettes
— Algae—Skinner —

Drinks—a la 18th Amendment
'Serenely full, the epicure would say,
'Fate cannot harm me;—I have dined to-day.'"
—Sidney Smith

Absit invidia
See definition on foreign words and phrases after words of songs

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PROGRAM

Grant Orchestra
Welcome Song, Tune:"Auld Lang Syne"
Entire Assembly
Director—L. V. Busche
(See Words later)
Selected
Columbia Quartette
Vaudeville
Special Act
Fulfillment Mac Dermit
Lo Here, The Gentle Lark Bishop
Marie Sidenius Zendt, Soprano
Charles Lurvey, at the piano
Theme and Variation Corelli
The Old Refrain Kreisler
Frederick Braucher, Violinist
A Busche Group Song
Selected
Columbia Quartette
Unto Thy Heart-Violin Obligato-Allitsen
Marie Sidenius Zendt
Charles Lurvey at the piano

ADDRESSES

Att'y Chas. R. Napier, Chicago, Ill.
Mr. Arthur H. Ham
"Arthur H. Ham's Dream"....Director,
L. V. Busche
Entire Assembly
Tune—"Long, Long, Trail"
(See Words later)
Mr. George A. Barr, Director, Department of Trade and Commerce, Springfield, Illinois
Judge Daniel P. Trude and Senator Dailey also made interesting speeches.
"Busche's Farewell".....Director,
L. V. Busche
Entire Assembly
Tune—"Till We Meet Again"
(See Words later)

"'Tis pleasant, sure, to see one's name in print"—*Bryan*

EXECUTIVE COMMITTEE

American Industrial Licensed Lenders Association
C. H. Stratton, Chairman, Sullivan, Ind.
G. W. Kehr, Natl. Secy., Harrisburg, Pa.
J. H. Aufderheide, Natl. Treas., Indianapolis, Indiana.
J. H. Dyer, Finance, Columbus, Ohio.
C. H. Watts, Legislation, Philadelphia, Pennsylvania.

Field Secretary, H. G. DeWeese
Columbus, Ohio.

Special Committees of Illinois Association in charge of Seventh Annual Convention.

FINANCE

Albert Snite John Breen
I. C. Harbison Fred Snite

CONVENTION HEADQUARTERS OFFICE

Edward M. Steimle Nathan Albrecht
A. E. Paris R. U. Baughman
J. Monahan

PUBLICITY

Arthur Weinschenk A. E. Paris
B. F. Henderson

HOTEL

L. T. Baker Albert Snite

ANNOUNCEMENTS AND PRINTING

Edward M. Steimle John B. Skinner
Albert Snite

BANQUET RECEPTION

Att'y. C. R. Napier L. C. Harbison
W. P. Woll

VISITORS ENTERTAINMENT

C. B. Burch. J. D. Lynch
J. B. Skinner Fred Snite

BANQUET ENTERTAINMENT

Al. Snite, Chairman J. D. Lynch
A. P. Snite F. Tyson
L. T. Baker W. G. Chandler

WELCOME SONG

(Tune, "Auld Lang Syne")

Unto our "meet" we welcome you
And may you come to stay,
Sometimes you'll find us dignified,
Sometimes we like to play.
Our laughter's always genuine
Our Sympathy is true
Our creed is just the golden rule,
And this we'll share with you.
As lifted on the mountain height
We glimpse the wider view
And note the varied paths which wind
Their ways the valley thru,
So in our business we do seek
The higher, purer thought
Ideals of life, exalted, clean,
The joy by virtue bought.

ARTHUR H. HAM'S "DREAM"

(Tune; "Long, Long Trail").
L. V. B.

There's a long, long trail a-winding
Into the land of "Ham's" dream.
His heart and soul is ringing
And his face just beams
When he tells us all about it
He gets us all dreaming, too,
Some day we'll all be going
Down that long, long trail with you.
The "Remedial Lenders" movement
It's getting one good, big start
And "Industrial Loan Men's" progress
Fills his throbbing heart.
You have given years of service,
We'll all be faithful like you,
And we'll stand behind you, "Arthur"
Till your great, big dream comes true.

"BUSCHE'S FAREWELL"

(Tune: "Till We Meet Again")

Smile the While we bid you all adieu,
And sometime we'll meet again with you
May good luck be yours till then,
We'll be better business men
For having met you in convention here
And your friendship, we will hold most dear
So, we'll say, good luck, farewell,
"Till we meet again,"

A coup sur—with certainty, without fail.
Are perennius—more enduring than bronze.
Hac lege—with this law, under these conditions.
A bon droit—with justice.
Alible—nourishing, nutritive.
Algae—The kelps, seaweeds, etc.
Absit invidia—no offense intended.

National Chairman Stratton acted as toastmaster at the banquet and proved himself, as usual, equal to the occasion. Space will not permit us to further comment either on the banquet, the entertainment or the speakers, further than to say that all of these speeches were taken down stenographically and will be published in the Year Book.

The Executive Committee has authorized the publication of 5,000 copies of Mr. Ham's address for distribution among members and the public. The speakers' table included the officers of the A. I. L. A., together with the speakers and guests. Mr. Ham was so impressed with the appreciation of his address and the song sung after it, that he arose at the conclusion of the song sung for his special benefit and remarked, "I feel after this demonstration that there is but one thing for me to live for now, and that is to have a cigar named after me."

At the conclusion of the banquet, the Illinois Association was awarded the Attendance Trophy Cup with 77 per cent of its membership registered in attendance. The other states lined up as follows: Nebraska, 50 per cent; Indiana, 46 per cent; Michigan 46 per cent; Massachusetts, 33 1-3 per cent; Ohio, 31 per cent; Pennsylvania, 30 per cent; Georgia 25 per cent; New York, 25 per cent; Kentucky, 20 per cent; Iowa, 18 per cent; Rhode Island, 14 per cent; Maryland 12 per cent; New Jersey, 7 per cent.

L. T. Baker speaking for the Illinois Association said as the host they did not feel that it was fair for them to keep the Attendance Trophy, but some one from the east remarked, "You better take it while the taking is good, because Mass., R. I., Conn., N. Y., Penna., Md., and Va. to say nothing of the other states to be heard from, have issued a challenge to Illinois that it will be a long time after 1921 when its name goes on the cup again. The President of one eastern chain system has already notified the National Secretary that all of his managers will be present at the 1922 Convention in New York City.

Saturday morning, Mr. Blumberg continued the discussion of "Publicity" with other members taking part. Time did not permit to discuss this interesting subject very long because of the numerout other matters which needed attention. Members, however, were given an opportunity to call for any subject that they desired to have discussed on the Saturday morning program.

Mr. Clupper, Marion, Indiana, desired to know if the Convention thought it wise to have an outside man who was responsible for bringing a delinquent into the office, interview him after the borrower arrived. It was the sense of the Convention that the manager should handle such propositions.

Many of the subjects included in the program could not be discussed generally on the floor of the Convention on account of the pressure of other business, but we believe many of them were discussed in the spare moments which the members had for relaxation.

W. A. Zumpfe, Chairman of the Committee on Nomination presented the following list of nominees who were unanimously elected: W. G. Wood, R. I., National Chairman; C. H. Stratton, Sullivan, Indiana, National Treasurer; G. W. Kehr, Harrisburg, Pa., National Secretary; Chairman:—Finance Committee, W. P. Woll, Chicago; Publicity, E. P. East, New York City; Law Committee, F. R. Hubachek, Minneapolis, Minn.; Legislation, C. H. Watts, Philadelphia, Pa.; Membership Committee, J. H. Dyer, Columbus, Ohio; Auditing, H. T. Mattingly, Baltimore, Md.

C. H. Stratton declined the nomination for third term as National Chairman, as did J. H. Aufderheide refuse the nomination for another term as National Treasurer. W. G. Wood, upon assuming the chair made the following address:—

"Your decision to make me Chairman is very satisfying and very terrifying and in appreciation I should like to say something equally satisfying and terrifying to you, that would make you feel as uncomfortable right now, as I do.

"But! this is not the time for talk. The difficulties ahead are to me so appalling that I am frightened out of any desire to attempt any anticipation of results. Therefore I shall not assume my duties as your chairman upon a platform of promises, because, to do so, would simply be a display of conceit, and I have too wholesome a respect for your judgment to promise results before I have caught up with my duties.

"I will give you the best that's in me and whether that best is little or much, it is all I've got and consequently it's all that I can give you. There is much to be done—more than can possibly be done in the next year, more than will ever be done, for that matter, because we can never hope to reach perfection.

"But perfection is not what we want. Progress is what we want; continual and uninterrupted progress and there is just one way for us to make progress. Just one way that promises us the best as well as the most results and that is by directing our minds and our energies into a channel that will lead us to complete harmony.

"That is our chief need. To harmonize our differences of opinions by determining in each case, the one common vital interest which in any way affects our present or future existence, and we can best determine what our common vital interest in each case is by giving proper respect and consideration to the other fellow's point of view and not impose our own views and our own will because it does not always follow that the winner of an argument or a dispute has the better remedy simply because he is equipped with the better argument."

After the nomination and election of officers, W. P. Woll, the newly elected Chairman of the Finance Committee took the floor and urged as many members as could afford it, to pay the maximum amount of dues for the coming year, in order that no one or group of members would have to take care of any deficit to cover the expenses for the coming year. Messrs. Aufderheide, Blumberg, Alberse and others believed that the money necessary to carry on the organization work should be raised from all the members in proportion to their investments and that if 50 cents a thousand on the average loan balance for the calendar year were not sufficient, that it should be raised to 75 cents or $1.00 per thousand. Mr. Woll who contended for the existing arrangement expressed the idea that if any change from the existing arrangement was made, it might force out some of the smaller members whose support he believed was more necessary than the amount of dues which they contributed. No action was taken but from the manner in which the members present volunteered to pay the maximum of $100 per annum for their offices, it is assumed that the existing arrangement is satisfactory to the majority. The offices represented by the following agreed to pay the maximum dues for the year of 1922.

W. P. Woll, Chicago, Ill. L. C. Harbison, Chicago. Ill. C. H. Watts, Philadelphia, Pa. E. P. East, New York City. W. A. Zumpfe, Indianapolis, Ind. J. H. Aufderheide, Indianapolis, Ind Clupper Loan Co., Marion, Ind. F. J. Biederman, Chicago, Ill. J. D. Lynch, Chicago, Ill. L. T. Baker, Chicago, Ill. D. H. Pond, Cleveland, Ohio. Fidelity Loan Co., Sullivan, Ind. H. T. Mattingly, Baltimore, Md. H. M. Griswald, Springfield, Ill. Beneficial Loan Society, by Geo. Hodson. F. E. Tyson, Danville, Ill. A. B. Skinner, Chicago, Ill. L. K. Osborne, Columbus, Ohio. State Loan Co., Waterloo, Ia. Howard C. Roberts, Norristown, Pa. Protective Investment Co., Paterson, N. J. C. H. Harris, Pittsburgh, Pa.

C. R. Napier, Esq., Chicago, Ill. and A. C. Broughman, Marion, Ind., being moved by Mr. Woll's magnetic appeal which would have done a Liberty Loan speaker justice, each contributed $100 on the spot.

Before the adjournment of the Convention, the Chairman called on George Hodson, Vice-President of the Beneficial Loan Society for remarks, and he made a very good impression upon the assembly in his maiden speech, urging co-operation and support of the A. I. L. A. Upon the invitation of the National Chairman Wood, A. B. Madison, and D. J. Wholey, the representatives of the Georgia and Massachusetts Associations, responded happily and gave the Convention much encouragement by what they hoped these two states would be able to do in the future.

On account of rain, the general sight seeing automobile tour about Chicago scheduled for Saturday afternoon was called off, although during the time of the Convention, many members had the pleasure of being taken around the city in automobiles of the members who had their machines at the disposal of the visitors all the time.

A vote of thanks was tendered the Illinois Association and all the Committees and others responsible for the success of the Convention. Mr. Busche's Farewell Song was sung and the Convention adjourned *sine die*.

After the adjournment of the Convention, the Executive Committee met, and among other things, re-engaged Mr. H. G. DeWeese as Field Secretary for another year.

BRANCH MANAGER WANTED

A member of State and National organizations has an opening for a live experienced loan man to take charge of an established five-town branch business, headquarters at Indianapolis. A finished outside man or Assistant Manager should fill the bill. Write complete details of experience and salary expected. Address Box 778, Harrisburg, Pa.

1921 YEAR BOOK

November 15 is the last day to pay dues if you want in the A. I. L. A. honor roll directory this year.

THE RETIRING NATIONAL TREASURER
JOHN H. AUFDERHEIDE

Much regret was expressed at the National Convention in Chicago when it was learned that Mr. Aufderheide, who had served as National Treasurer practically since the National body was organized in 1916 declined the nomination of another term to that office. Those who have not had the privilege of becoming well acquainted with Mr. Aufderheide, or have not been close to his numerous activities may be interested to know that he has given liberally of his time and money to the upbuilding of the A. I. L. A. He has been faithful and efficient as a National officer and executive and his judgment has always been and always will be sought in all matters of national policy. Though he has earned relief from the added responsibility of association work, we are assured of his continued interest and support.

Mr. Aufderheide was born in Indianapolis, Feb. 10, 1865, and educated in the public schools of his native city. He began business in Indianapolis, June 18, 1887, starting, originally in real estate and insurance, and later drifted into the small loan field, as he recognized there was a legitimate demand for this branch of finance. He dropped the other lines and developed the small loan business so that to-day he is responsible for offices in about six states, including a system of sixteen offices with seven sub-branches.

He is a member of the Indianapolis Chamber of Commerce, the Kiwanis Club, Columbia Club of Indianapolis, Atheneum Club of Indianapolis, Highland Golf and Country Club of Indianapolis, and Indianapolis Athletic Club.

Mr. and Mrs. Aufderheide, whom it is a delight to know, have a son and daughter and a granddaughter of whom they are very fond. Mr. Aufderheide's special hobbies are music, golf and motoring.

Here are his reasons why he believes everyone in the industrial loan business should belong to the A. I. L. A.

"1. The American Association insures our very business existence by protecting us from adverse legislation.

2. Enables an exchange of ideas from persons engaged in the same business which would be impossible without the Association.

3. Broadens our vision by making us friendly with our competitors.

4. By publicity and clean propaganda has dignified and uplifted our business.

5. Has co-operated with the Sage Foundation and other public welfare organizations in securing the passage of the Uniform Loan Law in many states and is endeavoring to have this legislation enacted in every state needing remedial loan legislation."

EMPLOYMENT DESIRED

by

Alfred R. Rota,
1537 W. 63rd. Street, Chicago, Ill.
'phone Prospect 2066.

Twenty-six years old. Unmarried. Lives with his mother. Ex-service man. Letter of recommendation from Capt. James B. Ettridge, U. S. A. Speaks English, French, Italian and Spanish. Had two years experience as an investigator. Claims to be able to do almost any kind of office work but thinks he would be most useful as an investigator, and prefers that kind of employment. Cannot leave the city on account of his mother.

Recommended by Judge Dan Trude.

ADDRESSES WANTED

Carl Willcut, wife Mollie, last address, Huntingdon, Indiana. Occupation, Farmer and Teamster.

V. M. Spradling, last address, Kokomo, Indiana. Occupation, Horse Buyer, and Sale Barn Man.

Charles Stumpff, last address, Logansport, Indiana. Occupation, Teamster.

The last two parties are unmarried.

Charles Stevens, last known address, Kirkwood, Missouri, in 1919 was an agent for the "Free Sewing Machine."

If any of the above "skips" are located, please advise the National Secretary.

PENNSYLVANIA

A meeting of the Penna. Association was held in Parlor A of the Adelphia Hotel, Philadelphia, at 2 P.M., Thursday, Septemfer 15, 1921.

The meeting was called to order by Chairman E. P. East.

Twenty-two members and the following visitors were present at the Luncheon which preceded the business meeting: W. G. Wood, Chairman R. I. Association, Providence; William Hirsch, Managing Director of the Federated Loan Association, Philadelphia; Graham C. Woodward, Esq. and Albert T. Hanby, Esq., of Philadelphia. Mr. Hirsch's address on "Operating a Welfare Loan Society" and Mr. Woodward's address on "Why Pennsylvania Needs A Chattel Mortgage Law" proved very interesting, and many inquiries were made of both gentlemen.

REPORT OF OFFICERS

The Treasurer reported on hand, September 15, 1921, $684.95.

The Secretary reported a membership of 68, 65 in good standing as of December 31, 1921. 53 members are also members of the American Association, all in good standing as of February 1, 1922.

REPORT OF COMMITTEES

On recommendation of the Entertainment Committee, Chairman Moss, a Special Committee of Five, and on motion of Mr. Hart, seconded by Mr. Hutchins, was authorized to take charge of our annual meeting or convention to be held in Philadelphia in November.

The Chair called attention to the completion of the work by the By-Law Committee, and the new Constitution and By-Laws are to be made a special order of business at the November meeting.

UNFINISHED BUSINESS

On motion of Mr. Mueller, seconded by Mr. Ezekiel, it was moved that all members attending the Convention at Chicago of the American Association are hereby appointed delegates to represent this Association.

NEW BUSINESS

Considerable time and attention was given in open discussion to the proposed revised Constitution and By-Laws, copy of which has been forwarded by the Chair to each member. The Chair recommended that all come to the November meeting prepared to express their approval or disapproval of it.

On motion of Mr. Hart, seconded by Mr. Herron, the delegates to the American Association Convention at Chicago be instructed to vote against the admission of the American Association as a dominating factor in the affairs of this Association, and in the conduct of the Small Loan Business in Pennsylvania.

On motion of Mr. Watts, seconded by Mr. Hart, the delegates to the American Association Convention at Chicago be instructed to approve of the proposed addition to the American Association's Executive Committee provided it does not increase the number in excess of nine.

On motion of Mr. Hart, seconded by Mr. Webster, the delegates to the American Association be instructed not to approve any action on the question of membership fees in the state or national organization, without first having submitted it to the members for their sanction.

On motion of Mr. Ezekiel, seconded by Mr. Moss, the application for membership of the Logan Investment Society, 1237 Market Street, Philadelphia and the Wayne County Finance Agency, Main Street, corner of Ninth, Honesdale, Pennsylvania, were elected to membership as of this date.

The chair reported having called the Banking Department's attention to what seemed to be an evasion of the law by the Security Finance Company, 709 No. Second Street, Philadelphia, and of the Banking Department's advice that the law was being violated, and that the immediate changes were ordered, and thanking the Association for its interest in the proper conduct of the Small Loan Business. The Chair further reported an apparent violation of the law by the Integrity Finance Company, 214 N. 15th Street, Philadelphia, which had been called to the Banking Department's attention. Later developments indicate that this company has ceased to do business, and is in the hands of the Bankruptcy Court.

The Secretary reported the receipt of an acknowledgment of our recent expression of thanks and appreciation to Hon. Edwin R. Cox for his help in legislative matters, and in which Mr. Cox also expressed a willingness to be present at our annual meeting in November.

On motion of Mr. Lyons, seconded by Mr. Hutchins, a rising vote of thanks was tendered James C. Lewis of the Security Loan Company, Philadelphia, for the preparation and presentation of his paper entitled "My Hardest Skip," which was ordered printed and distributed among our members.

Upon motion, duly seconded, the meeting adjourned, there appearing no further business to transact.

C. H. WATTS, *Secretary.*

ILLINOIS.

We reprint for the information of our members and the public the third annual report of the Department of Trade and Commerce from July 1, 1919 to June 30, 1920.

DIVISION OF SMALL LOANS.

The administration of the act of June 14, 1917, regulating the business of making of small loans to needy persons, is committed to this department. A résumé of the history of the law, its provisions, the activities of the department and the results will be of interest.

In every community, especially in the larger cities and the mining and industrial centers, there is a large class of people, principally wage earners and salaried persons, whose incomes under the most favorable circumstances are barely sufficient to remove them from the danger line of want and who find it difficult and often impossible to lay aside a surplus. Often a lack of conservative management contributes to this result.

When extraordinary circumstances arise, such as unemployment, sickness, death, or the need for laying in supplies such as the winter's fuel, these persons are obliged to borrow, for their necessities are immediate and urgent.

The manufacturer, the merchant, the farmer, the carrier and the well-to-do, progressive and ambitious must borrow in order to carry on their legitimate operations; but there exists this other class of persons whose reason for borrowing is more imperative than that of the well-to-do. That reason is the need of food, clothing, shelter, and other necessities of life. The immediate need for the necessities of life, in a thousand ways, calls for funds on the part of those who have no real or personal property to put up as security with the ordinary financial institution, the bank. The bank supplies the need of the person with credit or collateral, but it does not supply that much more numerous class which has no credit, and either does not own any property at all or owns only the kind which is not taken by banks as security. That class must go to another source for funds, for funds it must have, even more urgently and more frequently than the other class; and though the individual amount of loans of this character are small, in the aggregate they are surprisingly large.

It was to meet the need for this class of loans that the Small Loan Act of 1917 was passed. It was prepared by the Russell Sage Foundation, which for many years has studied and experimented in this field and which is advocating the enactment of this law throughout the country. The act was sponsored by

many civic and welfare bodies, and by citizens of all classes throughout this State.

The law became effective July 1, 1917. It provides that all persons who make loans of this class must procure from this department an annual license for that purpose. They must pay an annual license fee of $50 and give a bond of $1,000 to the State, conditioned that they will abide by the provisions of the law. The director of the department is authorized to examine the licensees and their books and records to see that the law is being observed, and may revoke licenses for violations. He prescribes certain books and records which shall be kept by them. Licensees must conform to certain requirments in making loans and collections, and upon payment of the loans. They are prohibited from doing many things to which lenders were formerly accustomed, such as taking powers of attorney to themselves to renew loans, and executing papers in which blanks are left unfilled. They are prohibited from taking interst in advance or compounding it, or making any charge for any service, brokerage, commission, or attorneys' fees, except the usual attorney's fee for foreclosure or entry of judgement.

Before the passage of the act the rate of interest on this class of loans ranged from 10 to 50 per cent a month and often more. It sometimes approached the prices charged by some of the profiteers of the present day and for the same reasons.

The act permits licensees operating under it to charge interest at a rate not to exceed 3½ per cent per month. If interest or charges in excess of the rate permitted by the act are made, or charged, or collected, the loan is void: and in addition the penal clauses of the act may be, and sometimes must be, enforced upon the offender. The act also provides severe penalties by way of fine and imprisonment, or both, for its violation.

Under the authority of the act the department promulgated minimum requirements to be observed by the licensees with reference to the manner of making loans, the collection of interest and principal, and the keeping of books and accounts.

During the three years this law has been upon the statue books, the department has done a large amount of work in endeavoring to educate the licensees in a correct knowledge of the law and in the method of making loans in compliance therewith, and where the practices of lenders appeared wrong or doubtful, to correctly formulate rules and regulations for uniformity in administration of the act.

The department has studied and kept in contact with the business, and has acquired and compiled data concerning it. From the examinations and the data prepared and the experience which the department has obtained concerning the business, the following facts are demonstrated as the results of the operation of the law:

Loans range in amount from $1 to $300, which latter is the maximum permitted. The average loan under this law in Cook County is $86; throughout the remainder of the State it is $91; and throughout the entire State $89.

Competition among licensees has reduced the rate of interest, and the average rate throughout the State is 3 and one-tenth per cent per month.

Interest is paid only on unpaid balances of principal and only for the actual number of days that the borrower actually has the use of the money. It is not paid in advance nor compounded.

All papers taken in connection with loans are now properly filled in before execution, and the rate of interest charged and collected is within the law.

There are very few foreclosures of mortages, or suits to enforce payment. Substantially $5,000,000 is loaned out annually in this class of loans in Illinois. Out of total loans aggregating over $3,000,000 within a certain period, there were 47 foreclosures of mortgages, involving only $7,735; 71 suits, involving only $12,898, and 33 confessions of judgment, involving only $2,740.

Complaints of over-reaching and extortion, that were once so commonly made to police and other public officials, to lawyers and to legal aid societies, have almost entirely disappeared.

The law has also practically done away with the misleading advertising that was prevalent before its passage. It is believed the act has saved the necessitous people of the State hundreds of thousands of dollars each year in interest payments.

The law has been tested and sustained by the Supreme Courts of Illinois and Pennsylvania, both of which courts refer to the wisdom of the law and the necessity for its existence. Substantially the same law is in force in Maine, New Hampshire, Connecticut, Pennsylvania, New Jersey, Maryland, Virginia, Oregon, Georgia, Indiana and several other states. Public officials in charge of the administration of the law in the states where ths law obtains speak highly of its good results. They are agreed that it has practically eliminated the loan shark evil, and that has been its effect in Illinois.

The business is now accorded the same recognition by the public as that generally given to other industrial and commercial enterprises.

Rulings

During the past year the department has found it necessary to make but two rulings of importance so that the law might be uniformly observed by licensees throughout the State.

Some confusion has arisen in the minds of the licensees as to the exact meaning of the last paragraph of section 2 of the act, which is as follows:

No person shall owe any licensee at any time more than three hundred dollars ($300) for principal.

For example, in the examination of the records of licensees it was discovered that a licensee would loan $300 to "A" with "B" as surety therefor; then on the same day or at a not far distant date would loan "B" $300 with "A" as surety. The department believed that this was an evasion of the above quoted section of the law, and after careful consideration of the matter determined that this practice should not be further followed by licensees. The following ruling was promulgated:

All persons primarily or secondarily liable on any note shall be considered to be within the provision "No person shall owe any licensee at any time more than three hundred dollars ($300) for principal."

And further, for the convenience of the examiner in ascertaining whether or not this ruling was being observed, each licensee was required to show upon the index card of the borrower the number and amount of each note endorsed by him and upon which he was secondarily responsible. The same information was required to be kept on an index card where a co-signer or endorser (not a borrower) signed more than one note.

Upon examination of the records of licensees it was discovered that full and complete records as to the disposition of collateral, upon sales thereof in default of payment of the notes, were not properly kept in the files. A very large proportion of such collateral consisted of liberty bonds. This loose practice did not obtain so largely with reference to the ordinary chattel property secured by mortgage, as in most cases the licensee kept a copy of the records he was required by law to send to the mortgagor upon the foreclosure of the mortgage.

Believing that some general rule with reference to the sale and disposition of collateral should be given, the following was prepared and sent to each licensee who did not keep proper records as to such collateral, to-wit:

When a licensee accepts collateral security or a pledge, other than evidenced by mortgage, for repayment of a loan, and the collateral security or pledge is realized upon, a full and complete record should be kept by the licensee, showing whether or not notice of the sale was given to the owner of the collateral; whether the sale was public or private; the name of the purchaser at the sale; the actual amount received for the collateral; an itemized list of costs and disbursements in the sale of the same; and application of the proceeds. From this record the examiner can determine whether or not the licensee received the exact amount due upon the original loan. If more than the amount actually due is thus received, the excess should be immediately returned to the borrower.

It has been very gratifying to those administrating the law to know that when the attention of licensees was called to transactions covered by the above ruling, the directions of the department were faithfully carried out.

During the year just ended there were comparatively few complaints as to violations of the law, and it may well be said at this point that 95 per cent of such complaints concerned persons who were not licensees. Complaints with reference to the transactions of licensees have, upon investigation, been generally found to be the result of misapprehension of the law or of the rulings made by the department for its uniform administration.

As above stated, complaints with reference to those who were not licensees have been few. The department attempted to investigate and to bring to trial such alleged violators, but almost invariably the person making the complaint failed to furnish us sufficient data upon which a proper investigation could be made, and any concrete results of such investigation failed to produce conviction. While the department does not feel that it is justified in assuming the rôle of a policeman, yet when legitimate complaints are received, nothing is left undone in order thoroughly to investigate them and endeavor to bring the of-

fenders to trial. The department welcomes lodgment with it of such complaints and will continue its investigation of violators of the law, believing that those who have complied with the law and are endeavoring to follow its provisions should be protected against improper practices of those who have made no attempt to do so, and further, that the unsuspecting public should be protected against rapacious methods of outlaws.

STATISTICS

The department has continued its policy of causing the office of each licensee to be examined at least twice each year. During this year there have been 106 examinations in Cook County and 117 down-state, making a total of 223. For this period 60 licenses have been issued to Cook County applicants, and to down-state applicants 73, making a total of 133, or 5 less than were in full force and effect on June 30, 1919. Removal consents have been secured by 3 licensees in Cook County and by 2 downstate. During this entire period there were no cancellations of licenses.

The department approached its task in 1917 not without suspicion of the efficacy of the new law. It is fair to say that its experience since that time has entirely changed this feeling and convinced it that the act of 1917 is wise and beneficent.

During the three years in which this law has been in effect in Illinois, the department has placed great stress upon educating the licensees to a strict adherence to the spirit and letter of the law; first, that licensees might be assisted in the keeping of proper and accurate records of their transactions; and second, that the interests of the borrowers might be safeguarded by the existence of these records. The department feels that this two-fold purpose has been achieved, and that with its accomplishment, administering officials may, with just pride, point to duty well performed.

THE AFTERMATH

BALTIMORE, MD. Oct. 1, 1921.

DEAR MR. BAKER: I will not attempt to put in words what my eyes can still see.

The memories of our last convention with the pleasant entertainment and delightful hospitality of the Illinois Association, will long linger in the minds of all who were so fortunate to be present.

I extend to the Illinois Association the congratulations of the Maryland Industrial Lenders Association, and hope that some day we may have the honor of having every Industrial Lender in America gather in our city in convention.

Sincerely yours,
H. T. MATTINGLY.
Chairman, Md. Ass'n.

DEAR MR. BUSCHE: No doubt you arrived home safely and have by this time entirely recovered from your arduous activities during the Chicago Convention. If I was not sure that you enjoyed the work you did here for us nearly as much as we enjoyed and appreciated you, I would be inclined to feel that you had been imposed upon.

We know, however, that no man could sing as you sing and make others sing as you make them sing, unless he was heart and soul in his efforts and unless only his ability was superseded by his enthusiasm and joy in the work. By general opinion, you and your efforts are conceded to be the one, big, outstanding, successful and most enjoyable feature of the Convention.

The toning up you gave us, the cheerfulness and good fellowship spirit which was inspired by your sunny disposition, seemed to thoroughly permeate the entire group and in so far as Conventions of our National Association are concerned, you shall go down in history.

We entend to you our sincerest thanks but can only give you a vague idea of our true appreciation of your most effective assistance.

With cordial personal regards and best wishes, I remain

Very respectfully yours,
L. T. BAKER.
Secretary.

DEAR MR. NAPIER: The members of our Illinois Association wish to extend to you their warmest thanks for your very able assistance in connection with the recent National Convention.

Your having secured as speakers Genl. Abel Davis and Judge Daniel P. Trude together with the splendid talk you made at the Convention are features which played a conspicuous part in making the affair a success and we can only intimate to you our real appreciation of your constant, staunch loyalty, your friendly and helpful attitude at all times.

Very sincerely yours,
L. T. BAKER.
Secretary.

MY DEAR "JUDGE" DYER: After visiting you in your room at the Morrison Hotel last week, I managed to get frequent reports upon your condition and progress. The Convention at large was notified from time to time as to how you were getting on. Everyone, to the last single man present, was deeply concerned and your absence from the Convention is so far as I know, the only regrettable incident connected therewith.

Knowing of the interest you take in these Conventions as well as all Association matters and fully realizing the pleasure you had anticipated in attending the joint Conventions of the Federation and the National Association, I can realize how keenly you felt the disappointment in not being able to mix with the boys.

Your mock trial group very noticeably missed you, but they are to be congratulated in putting over the trial so amusingly and that feature of the Convention proved to be a big drawing card. We especially appreciate the efforts of you Ohio men in helping to make the Convention a success and I have today written Mr. Busche regarding the important role he played.

I was indeed glad to learn by your letter of the 26th that you are improving rapidly and that you will be O. K. in a very short time. Undoubtedly your trip to the Springs will tone you up.

We are pleased also to know that you felt from the report given by Mr. DeWeese that this Convention was a success, but as stated before, it seemed hardly complete without your presence.

I agree with you that the new executive board is indeed a splendid one and, as you probably know, has been increased from five to seven members.

While there was considerable important business taken care of during the various sessions, I feel that three days is an inadequate period, in as much as so many papers and reports are read. We could very profitably spend three days in continual business and general discussion, I am sure.

You probably know that the next Convention has been given to New York, where we can be assured of even a bigger and more successful Convention than in Chicago and surely a splendid time.

I trust you will kindly convey to your Ohio men our appreciation of their help and presence at this Convention and sincerely wishing you rapid and complete recovery, I remain

Very cordially yours,
L. T. BAKER.
Secretary.

DEAR MR. BAKER: Mr. DeWeese came to my house Sunday with a fresh report of the events of the convention and I hasten to congratulate you on the very great success of the efforts of the Illinois Assn. in making this event long to be remembered by every delegate present, and hope the things undertaken by the Ohio boys for the pleasure of those present contributed somewhat to the enjoyment of the affair. At such conventions we must mix a certain amount of pleasure and levity with the serious matters in order to satisfy all who may come.

I am delighted with the selection of Geo. Wood as chairman and all the other members of the executive committee, except myself, but must express regret at the departure of our old friend Aufderheide on the committee. Altogether I think the convention was a wonderful success and that during the coming year the association activities will be very effective. I am sure that our present relationship with Mr. Ham will do us no harm.

Please express to all the boys my appreciation for all the many evidences of friendships shown me while ill at the hotel.

While I have not undertaken to date to go to the office, still I am very much better and feel that I will be myself again in a few days. I now plan to go to Magnetic Springs Tuesday A.M. for two or three days to use the water to flush out my kidney. About six o'clock the evening we left Chicago I passed some hard substance from my left kidney and immediately felt relief from the pain which had been present for the previous two or three days. The Doctor had kept me under the influence of opiates during the time I was in Chicago and I am having some difficulty to get rid of it. I think I shall be O.K. in a very short time. Next week I will have an X-ray taken to see if there is any further evidence of foreign substance in the kidney. I am anxious to know whether this trouble may recur and get busy with some remedy, if possible. It certainly was a disappointment on the part of both Mrs. Dyer and myself to miss all the event of the convention.

With kind regards.

Yours very truly,
J. H. DYER.

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INDUSTRIAL LENDERS NEWS

Official Organ American Industrial Lenders Association Which Is a Member of the Chamber of Commerce of the U. S. A.

Vol. VI. No. 5. NOVEMBER, 1921. Price, $1.00 a Year.

MEMBERSHIP INCREASING.

Mainly as a result of the efforts of the Field Secretary, Mr. DeWeese, the following new members have been added to the membership rolls of the A. I. L. A. during the last month or two. To each of the new members included in the list we extend a hearty welcome, and hope that each of them will uphold the record made by this organization in the few years of its existence to improve small loan conditions in this country:

Welfare Loan Society of Miami, Miami, Fla.
Welfare Loan Society of Centralia, Centralia, Ill.
Welfare Loan Society of Anderson, Anderson, Ind.
Welfare Loan Society of Elkhart, Elkhart, Ind.
Elwood Bond and Loan Co., Elwood, Ind.
Welfare Loan Society of Ft. Wayne, Ft. Wayne, Ind.
Welfare Loan Society of Indianapolis, Indianapolis, Ind.
Wm. J. Reed, Knox, Ind.
The C. P. Byrum Loan & Investment Co., Kokomo, Ind.
Welfare Loan Society of Kokomo, Kokomo, Ind.
Welfare Loan Society of Lafayette, LaFayette, Ind.
Welfare Loan Society of Logansport, Logansport, Ind.
Davidson Loan & Realty Co., Marion, Ind.
Welfare Loan Society of Marion, Marion, Ind.
Welfare Loan Society of Michigan City, Michigan City, Ind.
Welfare Loan Society of Muncie, Muncie, Ind.
Welfare Loan Society of Richmond, Richmond, Ind.
Welfare Loan Society of South Bend, South Bend, Ind.
Welfare Loan Society of Terre Haute, Terre Haute, Ind.
Welfare Loan Society of Vincennes, Vincennes, Ind.
Beneficial Loan Society, Baltimore, Md.
The Citizens Loan Co., Hagerstown, Md.
Slawson & Slawson, Greenville, Mich.
The Mutual Loan Co., Jackson, Mich.
Welfare Loan Society of Lansing, Lansing, Mich.
Lansing Loan Co., Lansing, Mich.
Tierney Bros., Saginaw, Mich.
Michigan Loan Co., Saginaw, Mich.
The Bucyrus Provident Co., Bucyrus, Ohio.
Welfare Loan Company of Cincinnati, Cincinnati, Ohio.
Welfare Loan Company of Columbus, Columbus, Ohio.
Welfare Loan Company of Dayton, Dayton, Ohio.
The Columbiana County Finance Co., East Liverpool, Ohio.
Welfare Loan Company of Hamilton, Hamilton, Ohio.
The Peoples Loan Co., Lima, Ohio.
Lorain County Finance Co., Lorain, Ohio.
The Tuscarawas Valley Finance Co., New Philadelphia, Ohio.
The Miami Security Co., Piqua, Ohio.
Welfare Loan Company of Youngstown, Youngstown, Ohio.
Welfare Loan Society of Lancaster, Lancaster, Pa.
Logan Investment Society, Philadelphia, Pa.
Beneficial Loan Society, Norfolk, Va.
Beneficial Loan Society, Richmond, Va.

WEST VIRGINIA.

Field Secretary DeWeese sends in this interesting report covering a recent visit to West Virginia:

"Its hats off to West Virginia, now. Our meeting at Parkersburg, October 28, was a decided success. We have there now an Association in fact. We adopted a new constitution and by-laws, elected new officers, reinstated the two delinquent members in both Associations upon receipt of their dues, and took in two new state and two new American members. One of the delinquents and one of the new members did not take care of their American dues upon this occasion but you will receive their checks early in the week. The officers of the new Association are as follows:

"H. L. White, Chairman, 220 Schmulbach Bldg., Wheeling, W. Va.; D. E. Earnest, Vice-Chairman, 20 Citizens Nat. Bank Bldg., Parkersburg, W. Va.; F. H. Withrow, Secretary, Room 27, Arcade, Charleston, W. Va.; Samuel Wormser, Treasurer, 319½ Ninth St., Huntington, W. Va.; J. H. Flynn, Ex. Committee, Miller-Ritter Bldg., Huntington, W. Va.; Wm. B. Grimes, Ex. Com., 304 Kanawha Nat. Bank, Charleston, W. Va.; Corum Cunningham, Ex. Com., Bluefield, W. Va.

"The officers and members of this Executive Committee are representative loan men and I am very proud of each and every one of them. Mr. Cunningham traveled 331 miles to attend this meeting, and he said upon arrival that he would have traveled 500 or even 1,000 miles rather than to have missed the meeting. This is probably the only instance of where any member of a State Association, whether in a state having a loan regulation act or in an outlaw state, who traveled that distance and consumed three days to attend the state meeting. I feel that the LENDERS NEWS should make favorable mention of this fact and comment on the spirit that must actuate a new member to spend that time and money in the interest of the Association. I hope that you will not overlook this comment in the next issue of the NEWS along the line suggested.

"The West Virginia Association now consists of ten members, each of whom belongs to the American Association. The next Year Book will show West Virginia to be on the map with the following members:

"BLUEFIELD: *Bluefield Investment Co.*, Corum Cunningham, owner and manager, and on Executive Committee.

"CHARLESTON: *The Capital City Loan & Investment Co.*, Room 27, Arcade, F. H. Withrow, Mgr. and Sec'y of the State Association; *West Virginia Loan Company*, William B. Grimes, Mgr. and member of State Executive Committee, 304 Kanawha Nat. Bank Bldg.

"HUNTINGTON: *American Loan Co.*, J. H. Flynn, Mgr. and member of State Executive Committee, Miller-Ritter Bldg.; *Home Loan Company*, Samuel Wormser, Mgr. and Treasurer of the West Virginia Association, 319½ Ninth St.; *West Virginia Loan Company*, G. E. Kantz, Mgr., 104 McCrory Bldg.

"PARKERSBURG: *Home Loan Co.*, Mrs. Blanche J. King, Mgr., 603½ Market St.; *The State Loan Co.*, D. E. Earnest, Mgr. and Vice-Chairman, State Association, 20 Citizen's Bank Bldg.

"WHEELING: *National Loan Company*, W. V. Hawkins, Mgr., 301 German Bank Bldg.; *The State Loan Company*, H. L. White, Mgr. and owner and Chairman of State Association, 220 Schmulbach Bldg.

"You will please see that each of the above members of the American Association receives the INDUSTRIAL LENDERS NEWS. Every operator I called upon three weeks ago in West Virginia, was present excepting one. This company changed managers since I was there and the new man, not having been contacted, did not understand what this was all about and why he should be present. I have also learned of three other operators in this state, one in Piedmont, one in Keyser, and another small one in Charleston. The West Virginia membership will make a concerted effort to bring them within their fold in the near future."

RE LEGISLATION.

The Louisiana Legislature is now in session to enact fundamental general laws pursuant to the constitution adopted last July. This is much more im-

(*Concluded on page 2.*)

INDUSTRIAL LENDERS NEWS

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Correspondence and items intended for publication should be addressed to Geo. W. Kehr, 204 Chestnut St., Harrisburg, Pa.

NATIONAL OFFICERS, 1921-1922

Chairman, W. G. Wood, 268 Westminster St., Providence, R. I.
Treasurer, C. H. Stratton, Sullivan, Indiana.
Secretary, G. W. Kehr, 204 Chestnut St., Harrisburg, Pa.
Field Secretary, H. G. DeWeese, 1948 N. High St., Columbus, O.

VICE-CHAIRMEN.

Conn.—T. C. O'Brien, 113 Church St., New Haven.
Ga.—A. B. Madison, 103 Central Bldg., Atlanta.
Ill.—L. C. Harbison, 81 E. Madison St., Chicago.
Ind.—Robert Spencer, Jr., Grant Saving & Trust Co., Marion.
Iowa.—T. J. Harrison, 115½ E. 4th St., Waterloo.
Md. H. T. Mattingly, 322 Equitable Bldg., Baltimore.
Mass.—W. E. Pool, 63 Court St., Boston.
Mich.—F. E. Stroup, 507 Commercial Bank Bldg., Grand Rapids.
N. J.—J. W. Whitstone, Frost Bldg., Plainfield.
Ohio.—Col. R. V. Barto, Columbus.
Pa.—E. P. East, 175 Fifth Ave., New York.
R. I.—W. G. Wood, 268 Westminster St., Providence.
Va.—W. F. Bradshaw, 105 W. Main St., Norfolk.
W. Va.—H. L. White, 220 Schmulbach Bldg., Wheeling.
Unorganized States.—R. M. Rutherford, 175 Fifth Ave., New York.

COMMITTEE CHAIRMEN.

Auditing, H. T. Mattingly, 322 Equitable Bldg., Baltimore.
Finance, W. P. Woll, 337 W. Madison St., Chicago.
Law, F. R. Hubachek, Esq., 610 McKnight Bldg., Minneapolis, Minn.
Legislation, C. H. Watts, 1011 Chestnut St., Philadelphia, Pa.
Publicity, E. P. East, 175 Fifth Ave., New York.
Membership, J. H. Dyer, 404 Commerce Bldg., Columbus, Ohio.

The National Council is composed of the National Officers, Vice-Chairmen, and Committee Chairmen.

RE LEGISLATION.

(*Concluded from page 1.*)

portant than an ordinary regular session and there will undoubtedly be legislation on subjects in which we are interested. Alabama is also in session; North Carolina convenes December 6; New York, New Jersey, Massachusetts, Ohio, Rhode Island, South Carolina, Virginia, Kentucky, Maryland, and Mississippi convene in January; Louisiana in May, and Georgia in June.

In 1923 forty-three states will be in session, and the country will face the heaviest and most important legislative period in history.

IOWA.

The annual meeting of the Iowa Industrial Lenders Association was held in Des Moines, Iowa, on October 21-22, at the Hotel Savery, with an attendance of 100 per cent membership, which sure speaks well for *Iowa.*

The meeting was called to order by Chairman T. J. Harrison, of Waterloo, who gave a very glowing account of the *National Convention* in Chicago, that caused the Iowa licensees to sit up and take notice and to realize that the National Association is worth its weight in gold to each and every one in the loan business.

B. E. Henderson, of Chicago, gave a very interesting talk on the loan business in general as he has seen it in other states and impressed on the minds of every one present the good that is being done by the National Association, and that they should be backed by a good, strong State Association in every state where the uniform law is operative, and that nothing but organization and unity would keep the loan business on the high plane that it now is and that each and every member should see that the law is not violated in any manner, also always do everything in their power to assist the examiners of the state.

Our legal adviser, F. E. Dunshee, who had a part in the enactment of the uniform law in Iowa, gave some very good advice on the handling of loans and papers, also on educating the general public as to our new law to overcome the prejudice of the old loan shark methods.

The following officers were elected: T. J. Harrison, Waterloo, Iowa, Chairman; E. I. Levitt, Des Moines, Iowa, Vice-Chairman; A. L. Whitmer, Sioux City, Iowa., Sec'y and Treas.; H. A. Huling, Des Moines, Iowa, Financial Sec'y; W. A. Glassner, Cedar Rapids, Iowa, Chairman Membership Committee.

There are now thirty licensees in Iowa and hope is expressed by the next meeting each and every one will be a member of both National and State Associations, thereby making Iowa 100 per cent in both.

Arrangements for the semi-annual meeting of the Iowa Industrial Lenders Association in Sioux City, Jan. 27 and 28, 1922, were made at a meeting of the Executive Committee.

Problems incident to the small loan law and impressing every licensee to live up to the letter as well as the spirit of the law, and raising the standard of business, will be taken up at the January meeting.

It is expected to obtain men of national prominence to make addresses. Bank Commissioner W. S. Murray, of Des Moines, Ia., will be invited to attend. It is expected to have 100 per cent attendance of members.

H. G. DeWeese, field secretary of the American Industrial Lenders Association, of Columbus, Ohio, met with the Executive Committee. The committee is composed of officers of the State Association. T. J. Harrison, of Waterloo, Ia., secretary of the Iowa Finance Investment Corporation, is chairman; Ellis Levitt, of Des Moines, Ia., secretary of the State Loan Association, is vice-chairman; A. L. Whitmer, of Sioux City, president of the Provident Loan Association, is secretary and treasurer.

CONNECTICUT.

The Connecticut Association of Licensed Lenders held their regular November meeting at New Haven, on November 9th. The meeting was presided over by Chairman T. C. O'Brien, of the Equitable Industrial Loan Society of New Haven. Association members from Bridgeport, Waterbury, New Haven and Hartford were on hand to welcome into the Association the officers of the Beneficial Loan Society, who had been accepted into the Association and were attending their first meeting.

This meeting was epoch-making, as it was the first time these friendly competitors had met on common ground at a business meeting, and the general atmosphere was one to predict a happy future for the Association and a closer relation between these two organizations to further the interest of the small loan business in the state of Connecticut.

H. P. Stephenson, of the Beneficial Loan Society, and Messrs. E. P. East and R. M. Rutherford, of the National Equitable Loan Company, executive members of their respective companies, attended the meeting and made faith with the Association members and their respective office managers that nothing but the closest harmony should be maintained between their respective offices.

After the routine affairs of the Association had been taken care of, Mr. A. Biddings, of the Beneficial Loan Society, manager of the New Haven office, and an old-time loan man, gave an excellent short talk on "How to Get Business and How to Keep It" and "The Makings of a Good Outside Man." Mr. Biddings' remarks were well received by his associates. Another speaker of interest at the meeting was Attorney Walter J. Walsh, of New Haven, an able lawyer and a man thoroughly imbued with the spirit of the small loan business, a man who has done much toward putting the small loan business on its present high plane in Connecticut. Attorney Walsh told of his early rebuffs in endeavoring to get favorable action on the part of the Connecticut Legislature. To quote Attorney Walsh: "The small loan business in Connecticut has made a very favorable impression on the people of Connecticut but is being carefully watched by folks interested in its final outcome. The business is in an experimental period, but so far everything has worked out excellently in favor of the small loan business, and that if the business is continued in the same spirit that has been shown, then the small loan business in the state of Connecticut has come to stay and need fear no legislative action."

The Massachusetts and Pennsylvania Associations were represented at the meeting and before adjournment an invitation was extended to the Connecticut Association to attend the Massachusetts Convention. A number of Connecticut members expressed a desire to attend the meeting.

PENNSYLVANIA.

October 22, 1921.

THIRTY-DAY ADVANCE NOTICE.

Just to permit your marking up your engagement book properly, and otherwise arrange your everyday affairs, is this notice sent to you.

Because the annual festival, commonly referred to by our officers as the annual meeting, will be attracting lenders from all over the state, likewise New Jersey, New York, Maryland, and even little Rhode Island promises to send our friend George Wood, newly-made chairman of the American Association. Other lesser lights are likewise assured, but this is a story we will tell you more of later.

Just now make this memorandum on your date book for Wednesday, November 30, "at Bellevue-Stratford Hotel, Philadelphia, attending annual meeting, banquet, entertainment, dance, etc." Business meetings begins at 10 a. m., but we will tell you more shortly.

In the meantime tell your folks to get ready, for you know this includes the ladies. By Order of

ENTERTAINMENT COMMITTEE.
V. D. Moss, Chairman.

Three Hundred and Thirty-Four Per Cent Interest is Charged on Loan.

BROKER PROSECUTED FOR USURY IN MUNICIPAL COURT; LEGAL AID HAS CASE.

Woman Plaintiff Compelled to Pay $64.06 Interest for Thirty Days on $250.

Charges that a loan broker exacted interest on a short-time loan in excess of 334 per cent a year are made in a case which is being prosecuted in the Municipal Court by the Bureau of Legal Aid.

Lena Woerner, of 6435 Overbrook Avenue, is the plaintiff in the case, and declares she was compelled to pay $64.06 as interest for thirty days on a $250 loan made by J. M. Cohen, trading as the Heirs Realty Company. The Bureau of Legal Aid is endeavoring to recover $62.50 of this sum as money exacted beyond the legal rate of interest in Pennsylvania.

The statement of claim as filed by Romain C. Hassrick, chief of the Legal Aid Bureau, and Dominic Furia, one of the bureau's attorneys, declares that Cohen took as security for his loan, a judgment note for $312.50 plus interest at the rate of six per cent a year, and also an assignment of seven shares of stock in the Germantown Avenue Building Association.

The charges are described as "illegal and usurious" by the Legal Aid Bureau officials and it is added that Cohen refused to release the seven shares of building and loan stock unless the full amount of his demands were met. As a result payment was made under protest.—*Philadelphia Inquirer*, Oct. 13, 1921.

This matter has been brought to the attention of the State Banking Department.

MICHIGAN.

The movement to improve small loan conditions in America lost a good friend and staunch supporter when death took Charles Flowers, former corporation counsel and member of the Michigan House of Representatives, at his home in Detroit, October 26.

Mr. Flowers was born in Bucks County, Pa., in 1845, and educated in Pennsylvania schools. He went to Detroit in 1868 and the following year when legislation, requiring shorthand reports of testimony in circuit court, was passed, he was the first court stenographer appointed. He served in that capacity for thirteen years and then became circuit court commissioner. He was admitted to the bar in Michigan in 1879, a year before being appointed as commissioner of the circuit court, and soon began his active connection with the administration of Mayor Pingree, who appointed him corporation counsel in 1896. During the four stormy years when the mayor was fighting for three-cent fares on Detroit street lines, Mr. Flowers was his right-hand man and was considered by the mayor as a valuable aide. He nominated the mayor for governor and made a nominating speech that has been regarded by many men as a masterpiece. He led the fight for the election of Pingree and saw his plans achieve success.

In 1908 Mr. Flowers was elected to the legislature, and during the eight years there he was actively engaged in legislation that has been of much importance to the people of the state. He secured the passage of a bill prohibiting the employment of women and children for more than fifty-four hours a week, the bill being almost the first measure of its kind. Michigan was the first state to adopt such a general law. He was also the author of the constitutional amendment granting women the right of suffrage. This amendment was first introduced by him in 1909, but although it was reported defeated by 1,500 votes in the whole state, Mr. Flowers was convinced that the vote had been manipulated.

Mr. Flowers was the author of many constructive laws, and he fathered the Michigan Small Loan Law of 1915. He was also helpful in the enactment of the Uniform Small Loan Law in Michigan in 1921.

MARYLAND.

Chairman Mattingly sends this invitation to members and friends:

"A meeting of the Maryland Association has been called for Tuesday evening, November 15th, at 7:30 p. m., Merchants and Manufacturers Association, Board Room, No. 22 Light Street, Baltimore.

"We would be pleased to have every licensee in Maryland present.

"Our Association stands for all that is right in the small loan business.

"Your attendance and coöperation is needed.

"Please be present."

INDIANA.

The Indiana Association will hold its semi-annual meeting at the Claypool Hotel, Indianapolis, Wednesday, November 16; sessions being arranged for 10 o'clock in the morning, 2 in the afternoon, with the banquet in the evening at 6:30. After the routine business of the morning, which includes reports from committees, officers and delegates to the National Convention, the two o'clock meeting will be addressed by Col. John B. Reynolds, Secretary Indianapolis Chamber of Commerce. The afternoon session also includes papers by Arthur Robinson Dana, on the subject, "Advantages of Membership in Chamber of Commerce, Retail Credit Men's National Association and Other Business Organizations," and one by Austin C. Broughman, of Marion, on the subject, "Justification for Profit Possible Under 3½% Rate."

Then there will be a general discussion for all present, whether owners, managers or visitors, which include: Shall membership certificates be issued to branch offices? If so, what charge, if any, to be made? What makes a good outside man? What makes a good manager? What makes a good office assistant? Under what conditions should foreclosures be made? How to educate customers to pay when their accounts are due, without sending them a notice? Chasing slows by telephone. Is it profitable to use motorcycles or automobiles in outside work? What are a manager's duties? What proportion of the lenders' business should be in $50 loans, or less? How to improve collections. How shall we get business? Necessity of chattel loan companies. Is it legal to charge 3½% on real estate loans? Publicity and statistics. Building and establishing a new office. Garnishee law. The legality of loans of more than $300 at more than 8 per cent per annum. Clearing house for taking care of out-of-town business. Effect of present industrial conditions and the policy we should unitedly follow. *Service*—How to protect leases which are not filed. A personal interest in your customer, and the advantage gained for the general good of the business. Is there a turnover in the loan business? If so, what advantage do we derive in the way of profit? *Are our State and National Associations worth while?*

Robert J. Spencer, Jr., Chairman of the Indiana Association, will act as toastmaster at the banquet in the evening, which will be addressed by Honorable Charles J. Orbison. Other interesting entertainment features include a reading by Professor Arthur J. Beriault, of the Metropolitan School of Music (humorous), and vaudeville by Izetta, and the Tokio Orchestra will furnish the music.

ILLINOIS.

L. T. Baker, Secretary of the Illinois Association, sent out this call for the quarterly meeting held at the Morrison Hotel, Chicago, October 28:

"On the 19th of this month your Chairman and Attorney Napier went to Springfield to make the personal acquaintance of Mr. F. E. O'Bryant, who succeeded Mr. Baldwin as Assistant Director of Trade and Commerce and to urge him to be our guest at the next State Association meeting, which will be held, as announced above, Friday evening, October 28th.

"It is reported that Mr. O'Bryant is very anxious not only to inspect our Association machinery but he especially wants to meet our individual members. He has been told that these meetings are well attended and that on this occasion he undoubtedly will have an opportunity to meet the big majority of the most active licensees in the state. By this you will see that our word is out that *you* will be here next Friday and we sincerely trust that you will not discredit your Association or disappoint Mr. O'Bryant by not coming.

"We have made a dinner reservation for you in the Terrace Garden (Morrison Hotel) and the show to be there next week is an unusually good one.

"At the business session Mr. O'Bryant will be the only speaker, as we have a few important matters to take up and

want also to allow time for discussion of practical subjects such as:

"'Can loans of $25.00 or less be made at a profit at 3½%?'

"'How to get business and how to keep business.'

"'How to educate customers to pay when their accounts are due without notice.'

"'Chasing slows by telephone.'

"'How to improve collections, etc.'

"Many of our members are making business partners of their wives, who show keen interest in the discussion of these practical subjects and it will be especially appropriate for you to bring your wife to this dinner, entertainment and business meeting. Invite also your stenographers and outside men. All can profit by attending and we must have a good crowd in honor of Mr. O'Bryant's presence.

"Will you not be good enough to signify on the enclosed postal card your desired number of reservations and mail same to me immediately?"

FROM THE OTHER SIDE.

GLASGOW, SCOTLAND, Oct. 19, 1921.

DEAR MR. KEHR:

I was very pleased to receive your letter of the 1st ult. and to know that the Association is making splendid progress.

Nothing would have given me greater pleasure than to be present at the last annual convention, and you may be sure that if my business allowed the time, I would have made every effort to be there.

However, there will be other conventions held in the next few years, and it is my hope to be able to be present at one of them.

What a grand thing it would be if the Associations of our respective countries could be affiliated in some way! They both have many interests in common.

I enclose herewith £1 (being near equivalent to four dollars), which will pay the two annual subscriptions due, and for the balance of two dollars, I should be obliged if you would send me the Year Books for 1920 and 1921, respectively.

Wishing you and the Association every success, I am, yours sincerely,

ERNEST GREENHILL.

MINERS' HEAD URGES GOVERNMENT LOANS TO THE UNEMPLOYED

Lewis Proposes Emergency Relief Measure to Conference.

BOOM FOR TRADE.

Washington, Oct. 11.—Extension of government credit to working men and women as an emergency relief measure in unemployment crisis is advocated in a statement to President Harding's unemployment conference submitted to-day by John L. Lewis, president of the United Mine Workers of America.

Mr. Lewis is a member of the unemployment conference, but was unable to attend the earlier sessions of the body because of the convention of his union which required his presence in Indianapolis.

Government credits are being used for the benefit of the farmers, the railroads and exporters, says Mr. Lewis, and he argues that it would be sound public policy to extend similar assistance to workers temporarily out of jobs. That it is not an extreme or revolutionary proposal, he says, is shown by the fact that the British government has recently decided upon a similar measure of emergency relief.

"These credits by the most extreme estimates could not reach a total in excess of two and a half billion dollars," Mr. Lewis asserts. "Less than ten per cent of the available credits of the banking system of the country would, therefore, be absorbed. By interest adjustments or commission charges all expense to the government would be eliminated."

"Through the availability of these credits the self-respect and dignity of the workers would be maintained. By the use of the credits, the purchasing power of our people would be greatly expanded, and this in turn would revivify trade and industry and reduce unemployment. With a return to normal conditions the loans could be repaid without great inconvenience."

As further measures of relief for the unemployment evil Mr. Lewis recommends that every corporation, firm or individual engaged in interstate commerce be required to build up a reserve labor fund equal to one-half its annual pay roll, this fund to be used to pay the wages of employees who could otherwise be dropped for lack of work in slack times, and he also urges a governmental investigation to determine the relations between labor costs and profits.

As to the coal industry Mr. Lewis pointed out that it was normally a "diseased" industry, due to overexpansion, and said that only governmental control could make possible regularization of employment.

Mr. Lewis' plan for the relief of unemployment through extension of government credit and the benefits which he says would accrue from such a policy are detailed by him as follows:

"First. That the Federal government, through the ordinary banking channels, establish credit facilities to the unemployed worker to help him over the period of his unemployment.

"Second. That loans be made, if necessary, solely upon the personal character of the borrower.

"Third. That loans be repayable, with interest, in convenient instalments.

"The benefits of the plan should extend only to bona fide workers, i. e., men who are normally employed and whose recent unemployment is due to inability to get work, or to other circumstances over which they have no control."—*Philadelphia North American.*

"DEADBEAT" LAW IS UNCONSTITUTIONAL, JUDGE TRUDE RULES.

The Chicago "deadbeat" ordinance, requiring van and moving concerns to report to the city all removals together with the old and new addresses of the mover, was held unconstitutional by Judge Daniel P. Trude in the Municipal Court. The judge had had the case under advisement for more than six months.

The ordinance was passed a year ago at the request of business men who believed that a city record of removals would aid them in hunting down persons who moved to escape paying their bills. The judge held that it would require the reporting of removals from hotels of persons leaving the city.

City Prosecutor Piquett announced the case will be appealed direct to the State Supreme Court on a certificate of importance.

AMBITION FOR SELFISH GAIN THE PASSION THAT IS RUINING BUSINESS, E. G. DUNN CHARGES.

"The men who will not deal fairly, who cannot be trusted, must be removed from our political and business affairs," says E. G. Dunn, who was in Chicago to speak at the meeting of the Chicago Association of Credit Men, in Hotel La Salle, on "Some Aspects of National Credit." "I believe," continued Mr. Dunn, "that the first great step in the establishment of individual and national credit is for men and nations to deal fairly with and trust their associates.

"One of the great troubles to-day is that this country is ever organized along selfish if not unpatriotic lines. Men in business, in the profession, in the labor unions, in all lines of activity, are organized to accomplish something, not for the welfare of the community or the country, but to advance their own selfish interests or the interests of their organization. If that is to be the policy of the organizations of the future then you might as well write 'failure' as their epitaph. If that is the road they are going to travel when we are going to see blood run in the streets of many industrial centers of this country.

"We can, if we will, remedy the situation by pausing for a moment in our mad rush for selfish gain, individual preferment and social power and devote our energies to building up and making better the land in which we live."—*Evening Chicago American,* Oct. 18, 1921.

OBITUARY.

It is with sorrow and sympathy for the surviving family that we record the death of one of our Evansville, Indiana, members, George W. Weidner, who was greatly interested in Association work and always attended meetings.

George W. Weidner, age 39 years, secretary-treasurer and general manager of the Mechanics' Finance Association, died at 4 a. m., October 17, at his home, 807 Tenth Avenue, following an illness of four days.

He was connected with the Crescent Loan Company for fifteen years. Two years ago he organized the Mechanics' Finance Association.

Besides his widow, he leaves a son, Carl, two daughters, Lorene and Ruth; his parents, Mr. and Mrs. William Weidner, 100 Read Street, and a brother, Carl Weidner, salesman for Strouse and Brothers.

He was buried in Oak Hill cemetery.

ARTHUR H. HAM.

Not so many years ago, the subject of this sketch was regarded by many engaged in the small loan business as the arch enemy to its conservation, but today, with the complete understanding which has taken years to acquire, Mr. Ham is regarded by the respectable small loan institutions as their greatest friend. To the many questions, oft repeated from many sources, namely, "Who is this man Ham?" we are now privileged to record his biography which we think will be appreciated by all classes, whether they be engaged in the business for profit, philanthropy, or whether the business interests them only as a public welfare proposition. It is unanimously agreed by those who are in a position to know that Mr. Ham has done more than any other man in the United States of America to regulate, uplift and dignify the small loan business and make the necessity for it better understood.

Although Mr. Ham's viewpoint has changed somewhat from the time when he started out to study the problem, he did not begin first with the idea that extermination of the small loan business was necessary as many suppose, but that its abuses must be corrected, and that small loans could be made on the same self-respecting conditions as larger loans with adequate security are made by banks and other financial institutions. He soon learned that there was a legitimate demand for small loans which people without banking accommodations constantly require, and that that demand must be met on fair conditions to the borrower. It took many years of study, investigation and application of theories with respect to laws, before a law was found which would meet the requirements of both borrower and lender.

Mr. Ham's address before the Seventh Annual Convention of the American Industrial Lenders Association in Chicago, September 23, covers this subject briefly and tells how the crusade against the loan shark was eventually successful when he found that the Russell Sage Foundation with the coöperation of the National Federation of Remedial Loan Associations, the American Industrial Lenders Association, and the public welfare organizations and press, plus legislative approval, it was possible to put upon the statute books a law that would not only hold water from a constitutional standpoint, but one that was a fair proposition to the borrower and lender. Mr. Ham had much to do with the drafting and the enactment of this law in a number of states where the Uniform Small Loan Law is now in force.

Mr. Ham has been one of the most potential objectors to the methods employed by the organizations which have been promoted to make small loans on the pretense that the rate charged is little more than the banking rate. He also, after years of experiment, objects to any law which provides a low interest rate and a fee, which can be so manipulated so that the rate the borrower might be compelled to pay legally for a short-time loan could be as much as ten per cent per month. He has stood for a flat rate of interest for small loans to be computed on unpaid monthly balances without fees, and has agreed that the rate will have to be sufficiently high to attract capital and to make it possible to render small loan service in the smaller communities.

Sufficient copies of Mr. Ham's Chicago Convention address have been printed to supply practically every small loan institution in the country, as well as interested citizens, the press and public welfare organizations. Members who desire to distribute these booklets judiciously may receive a limited supply on application to the National Secretary.

Now for the personal history, in which all are interested but few know, and which the writer believes entitles Mr. Ham to a place in "Who's Who in America." Let it be known that Arthur H. Ham is the son of Joseph G. and Mary E. Ham, and was born July 2, 1882,

ARTHUR H. HAM.

at Livermore Falls, Maine. He graduated with the A.B. degree from the Bowdoin College, 1908, and spent a year in Columbia University and the New York School of Philanthropy between 1908 and 1909. From 1909 to 1918 he was a special agent and director of the Division of Remedial Loans, Russell Sage Foundation, New York City. In 1918 he became the vice-president of the Provident Loan Society of New York, and still retains that position. During 1917 to 1918 he was manager of the War Savings Societies Bureau, New York City, and from 1918 to 1919, a member of the Savings Committee, War Loan Organization, Treasury Department, Washington, D. C.

In 1908, as fellow of the Bureau of Social Research, New York School of Philanthropy, he first made the study of the chattel loan business in New York City, and from that date became very much interested in the solution of the problem which it presented.

At present he is a director of the Chattel Loan Society, New York City, and chairman of the National Federation of Remedial Loan Associations, in addition to being the active head of the Provident Loan Society.

In addition to the following club and organization affiliations: Bowdoin Alumni Association, New York; Psi Upsilon Club, New York; Advertising Club, New York; Caroline County Club, Hartsdale, N. Y.; Rye County Club, Rye, N. Y.; University Club, Mt. Vernon, N. Y.; Westchester County Wheelmen, Mt. Vernon, N. Y., Mr. Ham is a member of the Greek Letter Fraternity, Phi Beta Kappa, an election to which is awarded only to the graduates of American colleges whose superior mental efficiency places them above the rank and file of their classmates.

Arthur H. Ham married Miss Gertrude Christopher, May 31, 1910, and they have two children living.

From a tennis star, Mr. Ham has become a lover of golf, and he says, "A man who has been bitten by the golf germ has no room for other hobbies."

In addition to having written many articles and delivered many addresses before public welfare and legislative bodies on the subject of small loans, credit unions, and savings, Mr. Ham is the author of an interest table book for small loans which provides answers for loans from $1 to $300 for 1 day to 12 months at rates from 1 per cent to 3½ per cent per month.

REMEDIAL LOAN CONVENTION.

The National Federation of Remedial Loan Associations held its thirteenth annual convention at the new Morrison Hotel, in Chicago, on September 19 to 21, inclusive. Representatives of the following member organizations were in attendance: Collateral Loan Co., Boston, Mass., Thos. J. Reid; The Provident Loan Society of New York, Arthur H. Ham and R. Cornelius Raby; Worcester Collateral Loan Association, Worcester, Mass., John W. Litchfield; First State Pawners' Society, Chicago, Ill., Samuel Wolfort; Newark Provident Loan Association, Newark, N. J., Wm. F. Davis; Provident Loan Society of Detroit, Mich., John E. Ryan; Equitable Loan Association, Minneapolis, Minn., R. C. Glidden; People's Provident Association, Louisville, Ky., R. M. Rutherford; Chattel Loan Society of New York, George H. Loh; Provident Loan Society, St. Paul, Minn., D. S. Coffey; Utica Provident Loan Association, Utica, N. Y., George E. Upson; Provident Loan Association, Sioux City, Iowa, A. L. Whitmer; Indianapolis Public Welfare Loan Association, Indianapolis, Ind., J. K. Stephens; San Francisco Remedial Loan Association, San Francisco, Cal., Albert C. Auger; Provident Loan Society, Rochester, N. Y., F. A. Phillips; Duluth Remedial Loan Association, Duluth, Minn., H. A. Berg; Provident Collateral Loan Company, Dayton, O., H. S. Miller; Provident Loan Society, Omaha, Neb., W. E. Palmatier.

Following the reports of the chairman, Arthur H. Ham, and the secretary-treasurer, J. E. Ryan, on the morning

of the first day, the convention proceeded to consider "The Future of the Remedial Loan Society." Papers were read by Messrs. George E. Upson, A. L. Whitmer, Ralph C. Glidden, and William F. Davis. A general discussion followed, opened by Albert C. Auger. It was brought out that some of the societies had experienced difficulty in procuring funds with which to meet the increased demand for loans. The wisdom or necessity of increasing the returns to shareholders in order to attract new capital, was debated at some length, but no formal action was taken by the Federation.

The afternoon's deliberations related chiefly to "The Future of the National Federation," which was treated in papers by Messrs. Charles F. Bigelow, John E. Ryan, D. S. Coffey, and R. M. Rutherford. An open discussion of this subject was led by Thomas J. Reid. Some of the speakers felt that the objects for which the Federation were organized had been so far accomplished as to raise a question regarding its future activities, or even as to the necessity of its continued existence. The prevailing sentiment, however, was that in the extension of the Uniform Small Loan Law and the possible promulgation of a uniform pawnbroking bill, the Federation would find an ample field for its labors for many years to come.

Personnel problems, including salary standards, vacations, and welfare features, formed the theme of the concluding discussion on the first day. It was led by F. A. Phillips, who advocated a liberal policy in fixing the wages and salaries of employees.

The second day's sessions were open to the public, and representatives of the American Industrial Lenders Association were present by special invitation. The Progress of the Uniform Small Loan Law during the past year was reviewed in a paper by Walter S. Hilborn, acting director of the Division of Remedial Loans, Russell Sage Foundation. Mr. Hilborn recounted his experience in Iowa, where the law was passed with trifling modifications; in Michigan, where the law was adopted, but with a different rate of interest; in Minnesota, where the opposition proved too strong; and in Massachusetts, where an unsuccessful effort was made to increase the rate of interest to three and one-half per cent per month.

The afternoon session was given up to the presentation of a proposed uniform pawnbroking bill by R. Cornelius Raby, of The Provident Loan Society of New York. Mr. Raby spoke briefly of the need for more and better legislation on the subject of pawnbroking. He then read a tentative draft of a proposed bill which he had prepared in collaboration with Arthur H. Ham and Colonel Clarence Hodson, of the Legal Reform Bureau of New York. The administrative features of the bill are modeled closely after those of the Uniform Small Loan Law. It provides for state supervision, with a moderate bond and license fee, a fixed interest rate of 3% per month; unredeemed pledges to be sold at public auction, and the surplus, if any, to be paid to the borrower.

The bill was freely criticized, and many valuable suggestions were received for its improvement. While no formal action was taken thereon, it was understood that the bill would be subjected to further revision to meet some of the objections offered, before attempting its introduction in any legisature.

The officers of the Federation were all reëlected for the ensuing year. They are: Arthur H. Ham, Chairman; D. S. Coffey, Vice-Chairman; John E. Ryan, Secretary-Treasurer; R. Cornelius Raby, Counsel. The chairman appointed the following as members of the Executive Committee: Arthur H. Ham, D. S. Coffey, John E. Ryan, *ex-officio;* Chas. F. Bigelow, Wm. F. Davis, Ralph C. Glidden, Albert C. Auger, George E. Upson, A. L. Whitmer.

A number of delegates availed themselves of the invitation to attend the convention of the American Industrial Lenders Association, which was held in the Drake Hotel, on Thursday, Friday and Saturday of the same week.

CORRESPONDENCE AND COLLECTION

By B. L. Thuma,

Capital Loan Company, Columbus, Ohio.

It is to be regretted that your Program Committee made such a grave mistake as to assign to the writer a subject of such vital importance to the successful handling of a chattel loan office, for I think there are managers better able to discuss these subjects. Next to the careful selection of applications and making loans, is your correspondence because you refer mostly to that in the collection of accounts.

Correspondence was carried on in the early days by hieroglyphics on cylinders or tablets of clay. That system would enable us to make a better impression on some borrowers to-day than we seem to obtain by the present stenographic system. Collections also have been battled with in one form or another as far back as history records. These subjects are not new. However, at this stage of the game we do not employ quite the same methods that were used in early days.

Correspondence, like the methods of collections, as the collection of an account sometimes depends on correspondence, must be tempered by the individual to whom a letter is being written. And I think many times we all get in the habit of using too much the same form in our correspondence or collection letters. A manager after having talked over with an applicant the conditions around him can get a very good idea of what will be required in handling that particular borrower.

If a business is too large to trust one's memory, it would be a good plan to make record in some way by cipher or key so if it became necessary to write, them, an appeal could be made that would get results. This I consider as necessary as the selection of ammunition when one goes hunting. Bird shot would get little results in a bear hunt; likewise buckshot would not produce good results in hunting quail.

Several years ago it was my privilege to know quite well a credit man who had just taken charge of a Columbus piano house. His predecessor seemed to have good results in some sections of the city but little or no results in the south end. He never could understand why, but I think the example I cite will be clear.

The extreme south section of Columbus is thickly settled with foreigners, many of whom read little or no English. Yet they patronize credit business of all kinds. The credit man and myself went over some of the returned letters sent to these people. The letters were neatly written, demanding yet courteous, and well composed but too many high-sounding words and phrases were used that were not understood by those who received them. My friend who had just taken charge of the business hit upon this plan: writing a very short, friendly letter of three or four lines, using only words of one syllable, telling them in plain English the amount that was due, and that they should come to the office at once to make payments.

The results were pleasingly satisfactory. A large per cent of them who before had never responded to letters came in with their payments or to offer excuse. When questioned regarding former letters that had been written them, they frankly admitted that they did not understand them, that they thought they would wait until somebody called on them for the money. It is obvious that a better explanation should have been given the purchaser at the time the loan was made.

I believe one should recognize the educational, social, financial, and moral standing of the party or parties written to get the best results. A little slang to one man will make him feel that you are a good fellow and he would meet his payments with you on that account, while with another you must choose very carefully the wording of your letter, while with the third you may be obliged to make reference to the fact that the account can be collected legally unless otherwise arranged.

Although much has been said and written about reducing overhead expense by using printed or multigraphed letters, I never was very successful personally with form letters, which are filled in to fit the occasion. This plan was helpful in years gone by, but it occurs to me that the average man to-day must feel that if a business has so many delinquents that they can afford to use printed forms which are usually made up in hundreds or thousands, that he is only one of the many who is behind with his payments, and that he has no reason to worry or be alarmed.

I try to make each one to whom we write feel as though he is the only one being written. We use no printed forms in correspondence except an acknowledgment or advance notice sent rural borrowers to verify addresses and check up loans made. This helps to prevent forgeries, or shows up bogus paper. We also send a "Thank You" form in returning receipts or receipt books to those who remit. Each letter is an individual letter, dictated if conditions require, otherwise constructed by the stenographer where there are no circumstances that need special mention.

And now for the most vital subject of the business: Collections. At this point the parable of the house built on the sand can be most impressively used. Anyone can hand money to the numerous applicants, but getting it back is

sometimes a man's job. To be an able, successful collector requires initiative and experience. There was a time when men were imprisoned if they did not pay their debts. Wouldn't it be a grand and glorious feeling if we could jug some of the dead beats who successfully get by our most careful investigations, as you are bound to pick some who will cause you grief.

Conducting a loan office is not like selling furniture, clothing, or any merchandise that is sold on credit. Different ground work can and should be done. The borrower should be very thoroughly coached at the time the loan is being made as to the rules and regulations of the office. He can be impressively informed regarding the dates of his payments and the amounts that should be paid on those dates.

This plan might lose a customer in the selling of merchandise, but our results at the Capitol have been very satisfactory. It has gone a long way toward bringing them in on time with their stipulated payment; our delinquency under ordinary conditions varying from one-half of one per cent to as low as sixteen hundredths of one per cent monthly. It is my understanding that three per cent is regarded as a normal delinquency.

I was at one time accused by a retiring loan man who was in the office during the making of a loan of attempting to collect a loan before the papers were signed. Let this be as it may, when you find a prospective borrower who has only paid $10.00 per month on his furniture when his contract was for $15.00 or $20.00, who is owing a $25.00 or $30.00 grocery bill and back on his rent, and still owes some on his Sunday suit, it is time for someone to set him right. This can and should be done unless he can explain conditions satisfactorily: sickness, death, or lack of employment being allowed for.

When a loan is being made the manager or an able assistant should build the foundation for collection. If in our judgment an applicant needs coaching, we inform him as follows: "Your loan being made to-day, July 7th, your first payment will be due on August 7th. This does not permit you to go over to the 8th or 9th of the month unless either you or your wife comes to the office and make such arrangements."

And I sometimes illustrate with this crude example: I might be out looking for a furnished room and have money in my pocket to pay for it, but a sign in their window as having a room to rent would not permit me to occupy this room without the formality of asking or arranging for it. So they too should not take anything for granted but ask for any change of time or order of payment that circumstances might make necessary. They are informed how to mail or send in payments by children or otherwise. They are told what our office hours are and their attention is also drawn to the law relative to converting or moving, selling or exchanging mortgaged goods. This can be abbreviated or elaborated on as conditions require.

I don't know of any ironclad rule that can be followed out. Such methods should be employed in the collection of an account as will fit the circumstances or conditions around that particular borrower, and I think that each manager or collector should have intuition enough to know what method will fit the account they are working on. What gets results with one man would spoil the next fellow you go after. Various methods may be used to get the attention of the slows who think they are too busy or are forgetful and careless. Short, courteous, personal notices about three days after regular payment periods as reminders to those who do not have telephones will bring a good per cent of them in. I have sent telegrams and special delivery letters with instructions to have them delivered late at night in extreme cases.

The telephone is a very convenient way to reach a borrower under ordinary conditions and usually gets results. I have called up some slow customers who have telephones or sometimes have them called to a neighbor's phone after they have gone to bed. This naturally makes them a little peevish, but I informed them that on account of the forgetfulness of some of our borrowers it was necessary for me to work late and as I was just finishing my work I thought I would call them before going home.

We make no personal calls for collection. We may go to the home or place of employment to find out why the borrower has not sent or brought in the payment and to request their getting in the next day or two following our call. Some offer the money, saying they forgot it or was too busy to come in, "Since you are here you can take the payment right along in." They are informed that we make no collections. All payments must either be sent or taken to the office by the borrower.

Few men ever borrow with the intention of beating the loan company, but some people from the force of circumstances over which they or no one else have control, are placed in a position where they must apparently fight for an existence. It is then that they seek shelter behind any conditions that would grant them a lease on life; sometimes to the extent of moving or skipping to some other point with the goods mortgaged when the loan was made.

I do not feel that anyone can successfully lay down a fixed rule that will fit all cases neither with the correspondence to a borrower nor the collection of an account. As to what should or should not be used in a collection letter can be governed to a great extent by existing circumstances and a writer's knowledge of the person written.

For seventeen years I was employed by an organization having a chain of offices. According to the auditor's statement at various times we found that the methods of collections used in one office would not obtain satisfactory results at another; that there were conditions in each town or city that did not exist elsewhere and that such means of collection would have to be used as would fit the conditions of the town in question. Chicago might have to use a little different system than is used in Lima, Columbus, or Indianapolis.

Correspondence has shown like tests. A letter that would obtain very satisfactory results at one point was disappointing in the next town in which it was tried. This might have been due to local conditions or the system of keeping after old customers and renewals, but a marked difference has been seen in the results of the same letter tried at various places.

This outline of operations that we have found very satisfactory may not meet with the approval of other managers and might not work in the offices under their control, but I feel it can be used as a frame-work around which the correspondence and collections of any office may be built and handled successfully.

Read before Managers' Session, Ohio Association Convention, Aug. 18, 1921.

THE BASIS OF LOANS AND SAFEGUARDING SECURITY VALUES

By N. A. Potter,
City Loan & Savings Company, Lima, Ohio.

The chairman of your committee has, unfortunately for you, chosen me to prepare a paper on the subject of "The Basis of Loans and Safeguarding Security Values." After an analysis of the subject it seems to me that it should be divided into two parts for discussion. First, the basis of loans; and second, safeguarding security values.

To a man outside the loan business and sometimes to the man in the business, it seems remarkable that a great business could be built making loans on security, which, to say the least, varies in price and stability. This great business would be a total and complete failure if we were to depend on the security to pay the loans. Furniture depreciates rapidly, live stock dies, automobiles are wrecked, stocks fluctuate with the market, salary assignments are rendered useless by lack of employment and, taken as a whole, from a security point of view, the chattel loan business is a good business in which to lose money.

However, there is a bright side to the situation which makes the chattel loan business possible, and the bright side is that 95% of the people are honest. That brings us to the basis of all loans. There are three fundamental factors on which all credit is based. These apply, not only to the chattel loan business, but also to banking and the entire merchandising field. Whenever and wherever credit is extended, the creditor will consider, either consciously or unconsciously, the debtor's willingness to pay, his ability to pay, and the security offered.

Investigation of the first factor, willing to pay, leads us to look up the honesty of the prospective customer, to see if his debts have been paid, if he comes to see his creditors when unable to pay. It is difficult to analyze a man's mind so that you can determine his willingness to pay, so in order to arrive at a conclusion, you must investigate his steadiness in employment, his wish to get ahead in the world as evidenced by the purchase of property. A willing buyer usually sees that his wife and family are properly fed and supports them as well as his circumstances allow. You know men who do without necessities of life in order to pay their payments when due. You know others who come to the office voluntarily when their payment is due and arrange for an extension. You know others who are quitters. They will not come near the office and will not pay except when they have a surplus

after buying the things they want. If you can, by your investigation find which class your man is in, your job is nearly finished. After all, willingness to pay is just another name for character, in a financial sense.

The second factor, ability to pay, is a little easier to investigate. In considering this, the man's wage, the steadiness of employment, the acres farms and the share he has in the crops, if he is a farmer, are all factors to be taken into consideration. Further than this you will need to look up his present indebtedness, to see that the amount you lend him does not load him up with debt to the point where he breaks under it. What you need here is a statement of assets and liabilities, including his income and good health under assets and his debts and dependents under liabilities. You will get this information piecemeal by questions and investigation and then you will have something on which to base your judgment for the second factor. A man's ability to pay is governed, of course, by his income and is weakened by present indebtedness, but you must also consider other types of liability which reduce his ability to pay. Such things as a number of children who are not old enough to work but old enough to eat great quantities of food and wear out many clothes. A dependent father, mother or other relative, helps deplete his income. A sick wife or a hopeless invalid in the family makes large inroads in the income. With the farmer or the man in business, the ability to pay depends to a great extent on his ability as a business man or farmer. Sometimes you see some very queer loans filed in the recorder's office. You will see a loan of five hundred or a thousand dollars made to a farmer who is farming such a small acreage that his total income for the year will not be as great as the loan. So in determining ability to pay, it is necessary to judge just what portion of the income can be spared to pay on the loan.

There is more variation in judgment on the value of security offered in relation to loans than on any other point. I remember one company doing business in the rural communities, who made a practice of lending money to farmers to buy stock. If the farmer wished to buy a cow for one hundred dollars, this company would lend him the entire amount and take as security for the loan the cow he purchased. Now in my estimation this would be high appraisal and I sometimes wonder how much this company lost when the price of livestock dropped last spring. Of course the firm making these loans may have felt that the customer's willingness to pay and his ability to pay would more than take care of the over-valuation, but at least one might deduce that it was not conservative business.

In considering the security offered, it is wise to remember that nearly every time you are compelled to sell the security, you are forced to do so under conditions which are not advantageous. The recent landslide in automobile prices and the bad industrial situation left the market glutted with used cars and as a result when cars were turned into loan companies to sell, there was no demand for the machines. This resulted in large losses, if the security had not been appraised with conservative judgment.

Your farm trouble cases usually come in the fall or winter when stock is hard to sell or the price is low, or after a decline in the market such as we witnessed this last year. In nine cases out of ten you sell the furniture you take, to second-hand dealers and the price is usually very low.

So it would seem that the proper thing to do would be to appraise security very conservatively, and then if the customer wishes more than the appraised value, to lend the surplus amount on your added confidence in the man's willingness and ability to pay. It would seem that while security is important, yet it is subordinate to the first two factors.

We have discussed the three factors which are the basis of all loans: willingness to pay, ability to pay, and security offered. You will see that if the first factor, willingness to pay, is prominent in your customer, it is not so necessary to have the third factor, the security offered, so great, but if the willingness to pay is doubtful the security offered must be greater. The ideal loan is one where the man is willing to pay, has the ability to do so, and offers security in the proper amount. But these loans are few and we must see if the element lacking in one factor is made up in the other two.

It is by coördinating these three factors that we arrive at our final conclusion as to the desirability of the man for a customer. If we follow this line of reasoning we will make the good loans, quite a number of the slow ones, and a minimum number of bad ones, yet turn down no profitable business.

The maintenance of security values is, in my opinion, a very easy matter to solve. A few moments ago we discussed appraising the security at an arbitrary figure for everyone alike and then if the customer wishes more money to make it to him on his willingness and ability to pay. Just to show how this works out in actual practice, we will take a few illustrations. A man applies for a loan of $50.00 and offers household goods for security. Our appraiser is instructed to appraise nothing except pianos or victrolas at more than five dollars except in unusual cases where there is period furniture of a high class, in which case he can appraise the larger articles for not over ten dollars. Ordinary heaters he appraises at two dollars, a kitchen cabinet at three to five dollars, rockers from one to five dollars, sideboard from one to five dollars, ranges not over five dollars, and so on throughout the house. After he has looked up the loan, we find that the security total amounts to $50.00. Our investigation prompts us to believe that the man is willing to pay, so the loan is made. We will suppose that this loan was made in 1915. During the boom times this man's wages were greatly increased and even though the cost of living increased, yet his ability to pay increased, and on that ability we increased his loan to one hundred dollars, or twice the value of the security. In other words, the security was responsible for half the loan and his willingness and ability to pay responsible for the other half. How did this work out when the crash came? When wages went down and work was scarce, this man's ability to pay decreased, so instead of lending him one hundred dollars on fifty dollars worth of security, we would lend him only seventy-five dollars.

We will take the case of a farmer who wishes to borrow two hundred dollars. This man must furnish us with three head of horses or cattle for every one hundred dollars we lend him. In addition to this we will take all of his implements on which there is no mortgage. This will be the basis of our farm loan. We will not differentiate between good and bad horses except when they are too bad, in which case we will not take them at all. You will usually find that when you make a loan to a farmer and are compelled to take the security that, counting deaths and the ones he sold to buyers which you cannot recover, the resulting stock which you have to sell will average thirty-three dollars for each head of stock you originally had on the mortgage. Not long ago, we had a three-hundred-dollar loan on which we had nine head of stock. Three died, he sold two, and skipped out. The four head which were left were sold for three hundred five dollars. So if you will get three head of stock for each hundred dollars, when the time comes to take the security you will just about come out even (if you are lucky).

The same principle applies here to the farmer. If the man is honest and his character good and the prices for farm produce are high, we can increase the loan above our basic limit, but when we do we are making the increase on the other factors and not on the security. When prices go down, all we are compelled to do is to cut down on the increase we have allowed him and the matter is adjusted to conditions in a very simple manner.

The conclusion is that no loan should be made without giving due consideration to the man's willingness to pay, his ability to pay and the security offered.

Further, that in order to safeguard security values, an arbitrary fixed appraisement be arrived at for every class of security. Then increases and decreases in the amount of the loan over the appraised value, determined by the man's willingness and ability to pay, can quickly be regulated to be in line with the financial and industrial outlook.

Some one has said that "the proper time for a credit man to consider whether an account will be promptly paid is before the account is opened."

Read at the Managers' Session, Ohio Association Convention, Aug. 18, 1921.

COMMUNICATIONS.

NEW YORK, Nov. 10, 1921.

DEAR MR. KEHR:

We have pleasure in announcing that Mr. C. G. Liggett, senior manager of the Beneficial Loan Society, was appointed Western Superintendent, as of November 1, with headquarters at Cleveland, in place of Mr. W. J. Stoddart, who is no longer connected with the Society.

The Beneficial Loan Society opened branch offices in Atlanta and Indianapolis, recently. Very respectfully,

CLARENCE HODSON,
President, Beneficial Loan Society.

APR 8 1922

INDUSTRIAL LENDERS NEWS

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PUTTING THE HEART INTO THE CHATTEL

An address by Hon. Charles J. Orbison, Former Judge of Superior Court, Marion County, Indiana, delivered before the Indiana Industrial Lenders' Association, Indianapolis, November 16, 1921.

JUDGE ORBISON: *Mr. Chairman, and gentlemen:* I grew alarmed when you arose because I thought perhaps your rising was in token of the fact that you were ready to say, "Good night." You know, as I think of my situation here and of my limited knowledge of the subject in which you are all vitally interested as business men, I am reminded of the story of the four gentlemen sitting in a hotel lobby one evening discussing various subjects of prohibition, and the inquiry developed as to what was the finest and best drink in all the world. One man spoke up and said, "Well, you know the finest drink to me is that drink where you go into a liquid emporium, put your foot upon the brass rail, lean with your elbows upon the top of the counter—I would have called it something else in times gone by, but counter now seems to be the only fit and proper word for the ancient bar—and to speak to the white aproned gentleman behind and say, 'Bring me a long one,' and he comes with a stein of amber colored fluid, with a nice fringe around the top, which gradually recedes and you take that stein by the handle and lift it up to your lips and without drawing breath you allow it to flow gently down until it is drained even to the bottom. Oh! boy, that is the finest drink in the world on a hot day." "Well," the second man says, "Yes, that is mighty fine, but you know even a finer drink than that to me is to sit around with a lot of good fellows at a banquet board and have a gentlemen dressed in the height of fashion, a gentleman of color, come with something wrapped in a napkin and as he leans over your shoulder and pours, the bubbles commence to ascend and descend in the glass, and finally when it is almost running over you take it up and put it to your lips and you taste sparkling Burgundy; Oh boy! goodfellowship indeed reigns supreme, and there is nothing finer in all the world." The third man spoke up and said, "Yes, that is good, I enjoy a good glass of beer and a glass of wine on an occasion, but when you are down and out and the clouds hang heavy and somehow the world seems to be going against you, some fellow comes into your office and very skillfully pulls out of his pocket a bottle of Haig and Haig and says, 'How you would like to have a shot?' Naturally you assent, and the cork is pulled. You take about four fingers, and you feel it going all the way down, the sun comes out, the clouds disappear, and the world is not half so blue—certainly there is nothing finer in all the world than a good shot of Scotch."

HON. CHARLES J. ORBISON

The fourth man did not say anything. Finally they importuned him to give his opinion as to the finest drink in the world. He said the finest drink in the world is a glass of ice water, and they looked at him with supercilious concern, and said, "How do you make that out?" He said, "Why, because ice water has life giving qualities; it sustains health, and it makes life, and it has no bad effects, even if used to excess." And the first man spoke up and said, "Did you ever drink a glass of beer on a hot day?" "I never tasted beer in my life." (He was a liar at that.) (Laughter.)

The second man said, "Didn't you ever even sip one glass of sparkling Burgundy?" "I never looked upon the wine when it was red and sparkling in the cup." The third man said, "Didn't you ever take just a little shot of whiskey for the stomach's sake?" "I never permitted alcohol to enter my system." And the first man spoke up and said, "Honest, John, were you ever drunk?" "No sir, not in my life." The first man responded, "Well, all I can say is you know a hell of a lot about ice water." (Laughter.)

I see some of you gentlemen know something more about the qualities of ice water especially the morning after the night before.

You know, as I look at you gentlemen and realize somewhat my present destitute condition, I hope you will not be as close as three Scotchmen I heard about who were visiting in Edinburg. It was Sunday morning and one of them suggested that they go to church, so, they went down the street looking for a church and finally they found one and entered and were seated down in the amen corner. After the congregation had sung the opening hymn the preacher rose to make the announcement preliminary to taking a collection. He said, "Now, this morning we are going to take a special collection and every man, woman and child will contribute at least one dollar to helping lift the debt on this magnificent pipe organ which we have just installed." Well sir, one of the Scotchmen fainted and the other two carried him out. (Laughter.)

You are not bankers, I have been informed while at the speakers' table, but you are engaged in the business of loaning money in a legitimate way for a legitimate purpose. I sincerely trust you will not be as hard hearted as a certain banker I heard about not long since. A Jewish friend of mine in the furniture business had a loan of five thousand dollars from the bank and he went to renew it, as sometimes people must do, if they are fortunate enough, to get into the bank at all—most of us could not do that—he said, "Mr. Jones, I came in this morning to renew my note that is due to-day." The banker said, "This bank is calling all its loans and you will have to pay; we cannot renew." And the Hebrew merchant said, "Were you ever in the furniture business?" He said, "No sir, I never was in the furniture business." He said, "Let me tell

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The National Council is composed of the National Officers, Vice-Chairmen, and Committee Chairmen.

PUTTING THE HEART INTO THE CHATTEL.

(*Concluded from page 1.*)

you something; you will be in the furniture business to-morrow morning." (Laughter.)

I want to talk to you this evening upon the subject of putting the heart into the chattel. Now, I do not know what that means myself, and you will know less about the subject after I get through than you do now. You know it takes a man that don't know a thing about a particular business to tell people who are in that business how to run their business, and that is what I am here for to-night. Follow my advice and goodness knows where you will go to. You know, I was just saying to my friend Stratton here, "I am passe as a political orator and I have to become some other kind of an orator." Last year I thought I was the finest political orator in the world. I got myself to believe that and some of my friends were also persuaded. They sent me hither and thither all over this great state of ours proclaiming the gospel of democracy, and I want to say to you that I had the enviable distinction of realizing that my oratory was so effective, that wherever I spoke, it went the heaviest Republican in the history of that particular community.

Mr. Stratton's good neighbor, Will Hays, wrote me a letter soon after the election. It read something like this:

DEAR JUDGE: I have observed with a great deal of pleasure your activities in the campaign, and I am writing you to inquire now, this early, what you will charge the Republican National Committee to make Democratic speeches next campaign."

You know, I have not answered that letter yet. I thought I would get my nerve up to answer that letter, but after the event of a week ago, Tuesday, I decided to postpone writing. You know, we really had an election in the city of Indianapolis a week ago last Tuesday. No, it was not an election, it was a ratification meeting for I and the committee of one hundred were all that voted for Ralston in that election. (Laughter.)

I can remember very distinctly my last appearance as a political orator. It was the night before the catastrophe of 1920, at Kokomo, Indiana. I know that they sent me there because the community knew that Kokomo had gone to the bow-wows and they thought I would do less damage there than any place else, I went up there in all my glory to make a speech, and I made it. It was a really great speech, at least it was a moving speech, because about five minutes after I commenced they (the audience) commenced to move towards the door. But a few of the faithful remained to cheer me at the end, glad indeed that it was over, and they came up and congratulated me. Finally one old fellow came up—he must have voted for Andrew Jackson, according to his appearance—he grasped me by the hand and pump handled my arm and said, "Judge, that was a great speech, a magnificent effort," —"but, you know you missed your calling"—I said, "What calling or profession do you think I ought to have followed?"—thinking possibly he thought I ought to be a minister or college professor—"I tell you, Judge, what you ought to have been; you ought to have been a clown in Barnum and Bailey's circus. (Laughter.) Every time I tell that story the audience seems to agree with my friend at Kokomo.

Not long since when I happened to be the presiding officer of a fraternal organization in this city, I was introduced as "The Lew Shank of Indiana Free Masonry." But Lew went them one better in the campaign; he denominated and dubbed me "One Quart Charley." So you can see what a famous personage you have speaking to this august assembly. (Laughter.) Now, you fellows are all getting chesty and prone. (Laughter.)

I said, if I still remember my subject, I wanted to put the heart into the chattel. Every business—now I am coming to my carefully prepared speech. My friend Garber here ought to know that I have a speech all written out in manuscript form in my pocket, and all he needed to do was to ask me for it and I would give it to him, but he is here because he wants to earn a living, so let him write.

Every business worth while is a business in which there is a principle of reciprocity involved; that business must help us, and that business must help the other fellow. No business is of any consequence, no men ought to enter upon any business, where there is not some accruing benefit, some substantial advantage given to the man on the other side of the counter.

Every business worth while is a part of the development of civilization and every real business man is a part and factor in the development of a higher, of a greater, of a purer and of a nobler country and world. We do not think sufficiently long upon the altruistic side of business. We do not realize what we are accomplishing for the good of the other fellow. We do not understand that as we are engaging in a legitimate enterprise, by putting our knowledge, our brain and ability into that business, we are to that extent helping somebody else to grow and to thrive and to live.

I think that your business is a distinct factor in the building of the community life and in the developing of a finer civilization and in the helping of men and women to live the better. You know, it is mighty fine to commence to realize that the halo is about your heads. Now, there was a time when it was not a halo, you were loan sharks, robbers, and the enemies of the poor, in the language of those who did not know. But that time has passed when your business was an outcast, when your business was considered something beneath the level and dignity of gentlemen to engage in, when you were considered modern Shylocks, demanding your pound of flesh, and becoming persecutors of the poor and afflicted. That was in a great measure due to the charlatans in your business who put the stamp on the whole institution. I think the rank and file of the men engaged in the small loan business, even before the passage of the law, were men, human and kind, who were willing to go to the limit of their business to help those of their customers to live and to sustain themselves. Due credit has never been given to the real man in your business, in my limited observation in times past, I want to say to you that I have realized that your business was much maligned and much abused, and you are bigger than the people thought you were. You realized the dangers, you realized the evils in the business; you understood that there were robbers in the business, and so you in Indiana, a pioneer state, I understand, got through the law which put you upon a real, fundamental, legitimate basis. You are no longer outcasts, and every time you make a loan it is not with the thought that if the people desire they can cheat you out of your principal and interest. You got a real, humanizing chattel loan law on the statute books, which legitimatized the business and which brought your profession and business up to the standard of real business and a real banking business in this state. Other states have followed and it will not be a large number of years until you will have in every state in the Union such a law as we have in Indiana, which places the entire business upon a solid basis.

Putting the heart into the chattel. I said a while ago that we do without realizing it a great many things that make for the building of a stronger and better civilization. I would like to go back to the Good Book once in a while and see how, in a real broad way, we are following out some of those precepts that are humanizing and magnifying the peoples

of the world. It is said that "a man who loses his life for My sake, shall find it, but he who selfishly locks his life unto himself, completely and finally loses it." That is a universal law of development and civilization, and you in your particular business will have your business magnified and developed as somehow you make your business touch humanity in a real and vital and humanizing and helpful way. I hope if I say nothing else to-night I make you realize the importance of your job, of your business, in the way of helping the other fellow, putting the spirit into the business, of putting the heart into the chattel. It sometimes has been overlooked in times past.

Putting the heart into the chattel. Did you ever realize and know that somehow if you did not think of the other fellow, if you did not see his needs, if you did not realize his demands, that you would not get the business? You would not understand how to do the thing that makes you the money. I appreciate the value to the community of your business in helping the merchant in getting his bills paid promptly, so that the money can start again in its circulation and business can grow and thrive; I appreciate the utility of your business from your own personal standpoint, for it means money to you; it means the development of a real substantial basis for an income for you. I appreciate the business from a standpoint of the man who needs the money, who cannot borrow at the bank, who has no securities of any consequence, who cannot enter and say, "I want to borrow a hundred, or two hundred," and three hundred or five hundred dollars, because he has no standing in the business world. But better than all these is the thought that as you go into the business and touch human life in a real and vital way, you are doing a real and lasting good to humanity.

I wonder, when the man or woman comes into your establishment seeking the little fifty dollar loan, the seventy-five dollar loan, the hundred dollar loan, you realize that you are a practical and substantial benefactor. Of course you investigate, of course you measure the risk, of course you find out the reason, the wherefore of the need of the borrowing of the money and that is how you realize the need and the importance of your mission. If you do not do this you are overlooking a big bet, a mighty chance of doing some real lasting good for your fellow kind. You touch humanity, you touch those who work with their hands, those that do not save very much, those that count on the wage at the week end, those who when sickness or misfortune or some other ill overtakes them, are absolutely stranded and sometimes at the mercy of the world. But when they come to you and say, "I need fifty dollars because my child is sick and the doctor has to be paid," why if you can put the heart into the chattel and as you give them the money, and as they execute the papers, somehow—oh, you can touch that life and send them out not merely with the money, but with the feeling that you are the friend of those individuals, giving them hope, inspiration and power and giving them encouragement and determination. That is putting the heart into the chattel, putting the spirit into the business.

I sometime think bankers need to learn that lesson, especially in periods of depression. The business man, when he gets notice of a note coming due and goes to see the banker, the banker looks at him with a stony face and says, "Well, we are being called and we must call you," without a spark of sympathy, making him understand that he must pay and pay immediately. He sends him out dispirited and discouraged. That is not putting the spirit in the banking business. It is the touch of man to man, it is the feeling that back of the chattel there is a human heart beating in sympathy and fellowship with the fellow who is in trouble and down and out that makes the world move and develops prosperity. Have they ever come to you when they said their wife was sick and there must be an immediate operation? Can you imagine the feeling of that husband as he comes to you for the loan—oh, something more than writing the check or handing over the dollars, but the slap on the back, the kind heart and cheering message to send him out on his way in life. I tell you, we used to think about preachers being the only fellows that preached religion. That is not so, for the business man in these days preaches and practices a practical religion, a religion that touches and magnifies and glorifies and helps man to see the sunlight and feel the joy and glory of living. That is putting the heart into the chattel, that is putting the spirit into the business. That is being men indeed and not being mere business men, the lenders of money.

You have such a splendid opportunity, such a glorious chance, better than the preacher, better than the banker and better than the merchant or the lawyer and better than the doctor, for you reach them and see them just in their moment of deepest distress and greatest want.

Have you ever loaned money to bury a child? I wonder what has been your attitude. I wonder if it has been cold and a matter of fact stuff that you put over. You have missed a chance not merely to preach a sermon, but you have missed the chance to act the part of the good Samaritan and exemplify the gospel in its glory and beauty. Let us put the spirit into our business and a heart into the chattel.

"Our lives are songs. God writes the words,
And we set them to music of pleasure;
And the song grows glad or sweet or sad,
As we choose to fashion the measure."

Business men, yes, careful business men, yes, business men that are planning to make money off their investment, yes, business men, always calculating for their own good can still so calculate and at the same time touch humanity and help men and women to see the silver lining, helping them to appreciate that though some days may be dark and stormy, the new day brings its purpling sunrise and its golden sunset. And so, my friends, in our business whatever it may be,—your business, so peculiar and so aptly coming in such vital touch with humanity as it meets suffering and failure, remember your opportunities.

Then, just understand this other proposition; the dignity of your profession, and your business. In speaking of your business never hang your head and say in an apologetic sort of way that "I am in the chattel loan business," as though you were ashamed of the business upon which you are engaged. If you are ashamed of your business, get out of it, because you have no place in that business. But be not ashamed of your calling that magnifies life but dignify that business and insist that your employees also dignify that business and conduct themselves in the spirit and way that shall commend them unto the public.

I will venture, if I took a poll of this meeting to-night that in the years you have been in business you can count upon your hands the pieces of furniture or the household goods that have been taken up. You know, I think that is a splendid commendation. You cannot advertise it and say you are humanitarians and are not going into the widow's home, or the poor devil's home and take his furniture if he cannot pay. But you can do better than that. You can, in the exercises of sound judgment and splendid humanity, act upon the principle of the Golden Rule. And you have in times past—I wish it could be told of the many acts of real charity the men in your business have done in times past and are doing to-day. Be not ashamed of your own profession; be not ashamed of the loan business, but magnify it and dignify it and teach the public that you are indeed and in truth real benefactors to mankind.

You know, you are the living exemplification of a verse of the Scripture that I once memorized as a boy: "Be not weary of well doing, for in due season ye shall reap if you faint not." Verily I believe out of the blackness of the past and out of the business discouragements in our era there has come forth a new business, shining with a noble purpose and with splendid men who are willing to preach and practice the gospel of service and of humanity and at the same time helping themselves as they give in service to their fellows.

It is all altruistic, you say, but take it from me, my friends, altruism coupled with business sagacity will make you men the leaders of prosperity and make your business stand out as one of the great factors in the development of community life and the betterment of humanity.

When I was a boy my aunt gave me a little autograph album. Some of you elder fellows recall how as school boys you used to write verses in them—"The roses red, the violets blue"—oh, yes, here is one who has written that very verse. Well, I got one of those as a birthday present once and on the flyleaf was written this message, a message somehow I have kept in my mind,

"Count that day lost whose slow descending sun
Finds at thy hands no worthy action done."

Putting the heart into the chattel, we shall go about practically and truly and really making the sun to shine and spreading the gospel of good cheer and making men to understand that after all we are brethren, no matter what may be the creed, no matter what may be the race, no matter what may be the belief. We are sojourners all, looking to one great destination.

It was Robert Burns that spoke an anthem of service and a message of hu-

manity at a company of noblemen at a banquet table. Called upon to speak, he repeated, they say extemporaneously, the poem that has come down to us:

"For a' that, and a' that,
Our toil's obscure, and a' that,
The rank is but the guinea's stamp,
The man's the gowd for a' that.

"What tho' on hamely fare we dine,
Wear hodden gray, and a' that;
Gie fools their silks, and knaves their wine,
A man's a man for a' that;
For a' that, and a' that,
Their tinsel show, and a' that;
The honest man, though e'er sae poor,
Is king o' men for a' that.

"Then let us pray, that come it may,
As come it will for a' that,
That sense and worth, o'er a' the earth,
May bear the gree, and a' that;
For a' that, and a' that,
It's coming yet, for a' that,
That man to man, the world's o'er,
Shall brothers be for a' that."

You and I helping in the lifting of the world, teaching humanity to live, touching them with a spirit of sympathy, humanizing business, putting the heart into the chattel, and by and by men will rise up and call us blessed because we followed the spirit of altruism in the conduct of our business.

I thank you. (Applause.)

INDIANA.

The semi-annual meeting of the Indiana Association was held at the Claypool Hotel, Indianapolis, November 16th. Robert J. Spencer, Jr. chairman, presided. Fifty-nine offices were represented out of a total of ninety-seven members.

A report from the attorney general's office regarding loans in excess of $300 and charging a greater rate of interest than 8% per annum was considered. A special committee composed of R. C. Aufderheide and A. C. Broughman was appointed to get further information.

A. C. Broughman gave a report on publicity in which he told what had been accomplished and the amount of publicity which was given him in Marion and surrounding cities at a time he held a meeting of his organization. These copies were forwarded to E. P. East National Publicity chairman.

W. A. Zumpfe reported that the membership had increased from sixty-five to ninety-seven since May.

A reading of correspondence from H. H. Burrell relative to having only one meeting a year, brought from Mr. Harbison of Chicago, that the greatest good comes from getting together at least four times a year to discuss points of interest of the loan business and from the standpoint of publicity nothing is better. Others joined in the discussion and from the general trend it was the opinion of the convention that we should have more meetings instead of less. A committee composed of J. H. Aufderheide, F. L. Thompson, G. W. Farrington and C. H. Stratton was appointed to report at the afternoon session. Their report was as follows: The committee recommends that we hold four meetings a year, the next one to be held in Marion in February, that these extra meetings eliminate the business sessions, dispense with the reading of minutes and the program to be arranged so that practical subjects can be discussed by everyone present, that the program be not large in volume, some one to lead each discussion, a program committee to be appointed consisting of the secretary and others, the City in which the convention is held to furnish the entertainment. On motion of Mr. Blumberg seconded by J. H. Aufderheide the committees report was adopted in its entirety.

Mr. F. L. Thompson gave a very complete report of the convention held in Chicago at the Drake Hotel in September. The next National convention will be held in New Yory City probably the latter part of September.

Correspondence read from Mr. Kehr, relative to changing the name of the Association to the "Indiana Industrial Bankers Association, provoked quite a good deal of discussion, and resulted in a motion by J. H. Aufderheide that the Name be adopted if it can be done so legally and if not to substitute as second choice the name Indiana Industrial Lenders Association. Mr. Woll amends motion that the executive committee be empowered to look into this matter with full authority to act, taking as second choice the name Indiana Industrial Lenders Association. Motion carried.

Col. John B. Reynolds of the Indianapolis Chamber of Commerce read a very interesting paper a copy of which is published in connection with this report. A rising vote of thanks was given Colonel Reynolds. Colonel Reynolds suggested that we notify W. C. Sutter secretary of the Chamber of Commerce of Connersville, the attitude of the Industrial Lenders Association regarding affiliating with Chambers in other cities.

Arthur R. Dana read a paper on "Advantages of Membership in Chambers of Commerce and other Civic Organizations," a copy of which is embodied in this account.

Austin C. Broughman read a paper on the "Justification for Profit Possible under three and one-half per cent. rate, a copy of which follows. A general and lively discussion on the following subjects was one of the interesting features of the meeting.

Shall membership certificates be issued to branch offices, if so what charge if any should be made? Messrs. Zumpfe, Harbison, and several others participated which resulted in a motion by C. H. Stratton that this question be tabled for the present.

What makes a good outside man? Messrs. Crunk, Harbison, Henderson, discussed this question thoroughly.

What makes a good manager? Messrs. Clupper, Farrington, Henderson and several others discussed this question. Mr. Henderson offered the opinion that a manager is made, that he must possess qualities that will enable him to spread the news of the loan business in the proper way to his friends and others that he comes in contact with, and publicity for the good of the business will result.

Under what conditions should foreclosures be made? J. H. Aufderheide expressed his opinion that it should be the last resort. Mr. Mellis a visitor expressed his opinion that mortgages should be foreclosed only when goods were in storage, moving outside of county and when the goods were depreciating in value rapidly to every effort should be used before taking legal action. Mr. Stratton opined except that as a last resort that household goods should not be foreclosed but automobile loans could be closed more readily without causing any comment. Mr. Henderson said that we should always be fair and lawabiding because our organization stood for fair and lawful methods.

How to educate customers to pay without notice? Mr. Willet believed in advance notices. Mr. Reynolds did not. Mr. Teel, Beck, Stratton, Harbison, Broughman, Woll, Henderson, Clupper and Spencer talked on this subject. It was found that eleven sent notices in advance but only three out of the eleven sent notices to monthly accounts.

Loans on real estate are legal at three and one-half percent. up to three hundred dollars.

A. C. Broughman said he would like to have an expression on his paper. Mr. Harbison spoke on this subject, leaving the thought that we must be able to establish some basis for a certain percentage of profit before we could expect further progress, that every business had established what they felt was a fair profit to make out of the investment and that the loan business should do the same thing.

On motion of Mr. Blumberg, seconded by Mr. Crunk it was agreed that the secretary publish the report of Mr. Kreamer in the 1920 year book in pamphlet form. After adjournment of the business session dinner was served at which several acts of vaudeville were given and Honorable Charles J. Orbison was the principle speaker. The full text of his speech is included in this issue.

The program committee appointed is as follows, R. F. Hartz chairman, G. W. Farrington, H. E. Arnett, Mr. Clupper and Mr. Nicholson of Marion.

MEMBERSHIP IN CHAMBERS OF COMMERCE, RETAIL CREDIT MEN'S ASSOCIATIONS AND OTHER BUSINESS ORGANIZATIONS.

ARTHUR R. DANA, INDIANAPOLIS.

There are a great many business men's organizations and they all offer advantages in various ways.

In my opinion, however, a Chamber of Commerce, accomplishes more and is of more vital importance in a community than any other civic body, because it is the only organized medium representing a city, and working for the general good of that city, all the time.

In speaking of advantages, I like to think not only of what our Chamber of Commerce can do for us but also what we can do for our Chamber of Commerce; for one benefits in matters of this kind in about the same proportion to the time and energy he is willing to give to make the thing a success.

There is no denying the fact that the small loan business has undergone a great change in the past eight or ten years. I doubt if there is a parallel in the history of modern industry. This

changed condition did not just happen. It was brought about principally by the honest efforts of those who were actively engaged in the business. It has been a struggle, but one worth while. To-day we are not ashamed to rub elbows with anyone, regardless of the kind of business he represents. We are following a decent, necessary, legitimate calling and we have practically no differences in these regards with the people who deal with us, but that part of the public who do not have to borrow small sums of money, or if they do need money have the necessary backing to enable them to borrow from banks. I sometimes think it is unfair to expect people who are not familiar with our problems to agree that the Industrial Loan Business is entitled to the recognition we claim for it. It is true, a great deal has been accomplished, but as Mr. Stratton said in Chicago, "The surface has just been scratched."

Practically all of the credit for what has been done to elevate the small loan business to its present standard, belongs to a few men who have money invested in the small loan field. We managers, generally speaking, have seemed to feel that our duties consisted in conducting the affairs of our offices as best we knew how and ended there. We have been too willing to let those higher up do the big things, while we have been satisfied if our offices made a fair showing.

We have a great, national organization, far reaching in its activities and our State organizations are functioning equally well, but we must not overlook the fact that every manager in his home city, be it large or small, has a big opportunity to do things his employer in some other city cannot possibly do. He can carry our messages directly to the citizens of his community and how better can he do this than through his Chamber of Commerce and other business men's organizations.

A short time ago the small loan business was represented in the Indianapolis Chamber of Commerce by two operators and three local offices. Today we are one hundred per cent. We hold eighteen memberships and I dare say that every member values his membership highly.

Every Friday noon we get together at the Chamber of Commerce and lunch is served to our group either in a private dining room or at reserved tables, and the name "Industrial Lenders" appears on the Chambers bulletin board.

Recently a drive to increase the membership of our Chamber of Commerce was organized and a representative of our group went to the membership Committee with the suggestion that we form a team composed of loan men, each manager having volunteered his services a part of each day during the week of the campaign. The team was formed and I am proud to say that we made a very creditable showing which was recognized to the extent that Colonel Reynolds (General secretary) at one of the daily luncheons during the week of the drive and in the presence of upwards of one hundred or more workers in the campaign made mention in very friendly terms of our activities and coöperation.

Here are fourteen reasons which were given prospective members during the campaign for joining the Indianapolis Chamber of Commerce and they apply equally to every man present who does not belong to his Chamber of Commerce in his home city.

1. Our city has problems to solve. The solution will not just happen men and women must think, then act through a well organized medium.

2. An organization can accomplish what individuals or small groups would not even attempt. Men who join the Chamber believe in coöperation. You too certainly do.

3. Organized community endeavor secures results. That is what we want for Indianapolis.

4. We want more than your money, we want *you.*

5. We believe *Service* to Indianapolis is the ear-mark of citizenship. Citizenship at all times is an obligation, not a privilege.

6. The Indianapolis Chamber of Commerce is a non-political; non-sectarian and unselfish citizens organization working for the general good of our city, all the time.

7. You expect the city to make a certain amount of municipal progress each year; welfare work carried on; the number of Industries increased; retail business kept up to the standard; the population increased, all in order that your particular business may at least be maintained, if not actually increased. Now who is going to look after these things and scores of others? Will you help?

8. Every business and professional man in Indianapolis is receiving benefits by the activities of the Chamber. The city is progressing. You are either riding in a chair car on this train of progress or riding the blind baggage.

9. The dues are only twenty-five dollars a year. Less than seven cents a day will carry a full active membership. You couldn't buy an equal privilege for seven cents per day, nor get so many good community results for your money each year.

10. By becoming a member you will multiply your acquaintance and extend your friendship with over four thousand of the best and most active citizens in Indianapolis.

11. Few men can afford to belong to *all* organizations. Discretion must be used. There is a big difference between a social Club and a live verile Civic—Commercial organization. The Chamber of Commerce stands second to none.

12. Over ninety per cent. of the successful organizations have uniform dues of twenty-five dollars or larger, because statistics show that it costs between fifteen dollars and nineteen dollars per year to maintain headquarters, provide efficient management and other items of "Overhead." Besides, business men would rather invest twenty-five dollars in a genuine result getting organization than contribute a smaller amount to a partial failure.

13. The Chamber of Commerce is helping you directly but a membership will do something besides give you a chance to get more out of Indianapolis. *It is going to give you a chance to give more to it; to pay the debt you owe your city. This is the greatest service the Chamber of Commerce can render you.*

14. Ask yourself these questions, (A) What am I putting into my city (besides taxes) to have part in its progress? (B) Where can I be of greatest service in the place I am making my home? (C) Does the world owe me a living or do I owe the world a service? (D) Am I a vacuum cleaner or a producer? (E) Have I been a recipient or a contributor?

JUSTIFICATION FOR PROFIT POSSIBLE UNDER THREE AND ONE-HALF PER CENT. RATE.

A. C. Broughman, Marion, Indiana.

First, I accept the conclusions by the Russell Sage Foundation as a result of their thorough investigations of our business, that our present rate of three and one-half per cent. per month, is fair to both borrower and lender.

Second, the fact that the men actively and financially interested in the Indianapolis Public Welfare Loan Association, the only recognized remedial loan company in this state, have publicy acknowledged our present rate to be just and have assisted in maintaining our present Indiana Law.

The Public Welfare have not been consistent with their monthly interest charges, their annual dividends being limited to six per cent. with a rate as low as possible and pay that amount annually to their stockholders. Organized years ago, by public spirited, high minded, conscientious citizens of Indianapolis, this company is not and has not been striving or operating for a profit with the exception of the six per cent. per annum. The company has been very materially benefited by free, favorable and just publicity and has as its directors the wisest, ablest and best business and professional men of its city. I have been told that the directors serve without pay or compensation. If from time of organization to this date, the directors had of been paid for their services an amount equal to what they command in their own specific line of work and profession, the interest charges of the "Public" would necessarily be more than at present.

Some time ago I had a conversation with one of the directors of the "Public Welfare" and asked him if he thought that enough similiar companies could be organized in this state to take care of the entire Indiana borrowing public, about eight million dollars being an estimate of the investment needed. He replied that it would be a tough job to get enough money to take care of Indianapolis and Marion County in the event that they could get all of the business. He also stated that he felt that it would be a physical impossibility, to find any man or set of one-hundred men who would give the necessary time for the promotion and organization as well as six per cent. money for the formation of enough companies unless the loan men themselves, by unfair tactics and illegal methods, forced such an issue and departure.

The above information is not authorized by the "Public Welfare" of Indianapolis nor was any date solicited from them inasmuch as it is not fair to compare a semi-philanthropic organization with a business organized and operated for legitimate profit.

In Indianapolis and other near by states there are several chains of offices that desire the public to think that they

are remedial companies but are not so recognized by the National Federation of Remedial Loan Associations. It has been reported to me that some of these firms have attempted to join the National Federation but have been refused membership. Some of these companies use the word remedial and other similiar subterfuges as a part of their corporation and trade names. I doubt their sincerity. I believe that a major part of these companies were organized primarily for the profit to be made from the sale of capital stock and from supervision charges and not for the profit to be made in the conduct of the business. It has been reported to me, that as a rule, they do not have any of their own money invested, operating almost entirely from the sale of preferred stock. It has been further reported to me that many of these offices want to make it appear that they have a large investment with a consequent profitable business for without such a showing and impression, it would be impossible for them to sell more stock, deriving a sales service as well as money to pay the guaranteed dividends on previous sales of stock and similiar securities. If any of such reported allegations are true, I fear for the small loan business in Indiana and near by states as such tactics cannot help but will hurt all of us. No business, built on such alleged foundation, can stand but will fail and only time will show the truthfulness of such alleged reports. By their alleged plan of organization and alleged plan and policy of operation, they do not offer a comparison in the matter of justification of our rate of three and one-half per cent. per month although they advertise their loans at a less monthly rate.

Comparisons as to rate of interest between a loan company and a bank, fire or life insurance company can not be made. It is true that both loan money but the methods of financing the loans are entirely different. A bank, fire or life insurance company loans not only its own invested capital but also a major part of its deposits, trust funds and premiums. It is not unusual for such institutions, with an invested capital of but $50,000 to have total loans of more than one million dollars. If loan companies were financed in a similiar manner, it would not only be possible to pyramid its loans on a small initial investment but also loan money at a rate far less than three and one-half per cent. per month and show a greater net profit per annum than by our present plan. This is a fact that the general public does not accept or take into consideration—the different plan of financing. Another fact is that we do not have any turn over although a part of our borrowers are paying off each week but our gross profit is secured only from interest paid on active bills received, which are but a part of our invested capital.

Before any successfully or intelligently managed business can determine the selling price of its commodity, they always estimate or fix a fair net return on their invested capital and to this add the marketing cost. The net return on invested capital is determined by custom and comparison of expected net yield per annum of other lines of business. During the past two weeks, I have talked with the managing heads of diversified business firms and none of them figured their costs for a net return on invested capital for a yield of less than fifteen per cent. to eighteen per cent. per annum, the usual percentage being from eighteen to twenty-four per annum. None of these men were or have been in the small loan business—I asked men that I felt were prejudiced against our business.

I have been informed that a credit clothing company makes at least an annual gross profit of 100% on invested capital, a credit furniture or jewelry store no less than 150% to 500% per annum on invested capital while it has been estimated that a cash grocery store may make as high as 1000% per annum gross profit of their invested capital. Some of you may question this statement but if you will figure the gross yearly profit on invested capital made by your grocer on the bread and milk you buy, you will be compelled to give it up as to percentages. For instance, if you daily purchase only one loaf of bread and but one quart of milk, it is safe to state the cost to you is twenty cents and the grocer made at least two cents gross profit on the transaction. In ten days, the grocer is buying the bread and milk he sells you with your own money and at the end of one year, your grocer has a gross profit of more than $5.00 on an original investment of but eighteen cents. Similiar instances can be cited from many lines of business, both credit and cash. In the matter of such comparisons, the public has been both slow and reluctant to accept same from we in the small loan business.

In its strictest interpretation, a loan company does not loan money—it is a mercantile credit firm, selling a needed commodity and a service. We therefore come under the head and classification of retail credit. A gross charge of 42% per annum in the conduct of any retail credit business does not need justification, it should have commendation. I doubt the existence of any successful credit business, with the possible exception of ours, that the gross charges on invested capital are as small as 42% per annum.

Using invested capital as a basis, the only way to compute costs, I have compiled the following data, derived from the records of about 25 operating loan companies; located in town varying in population from 15,000 to 85,000 people; loan accounts varying in size from $18,000 to $57,000; but 65% of the loans being on monthly payment plan, the balance straight time accounts made to tenant farmers. Every one of these offices have been operating at least five years—the reason this being mentioned is that a loan company must be in operation at least one year before it can be operated at a profit. There may be a profit at the end of the first year but it is mainly a potential one but has not been paid in cash by interest payments whereby a surplus can be shown.

The invested capital of a loan company consists of bills received, referred to by some as loan account, furniture and fixtures, and cash, both in the office and on deposit in the bank.

I find that at least one per cent. of invested capital is in bills received, that do not have an earnng capacity, accounts that the loan man accepts the principal and does not give the monthly interest any consideration. This consists of such accounts such as the wage earner unemployed or sickness in the family and agreement made to pay principal only, security voluntarily surrendered to the loan company and sold for face. Unless industrial conditions improve, I fear that this percentage will be much larger next year.

I also find that an average of 2% of invested capital is listed as furniture and fixtures. This also does not have any earning power.

I also find an average of 3% listed as cash, both in the office and in the bank. As a rule the individual office rather than a chain office has more idle cash as there are times when an individual office does not have a demand for all of their money. We all know that idle money does not have an earning power, it is a cost to any business. It would be a Utopia if every loan company could keep every dollar working all the time, never one cent in the cash drawer or on deposit in the bank. We never know when our borrowers want money and it is our duty to the public to take care of them as we are public servants and therefore should render such public service. We would quickly bring public wrath upon our heads if we adopted a policy of never having any extra money on hand and when our borrowers wanted an accommodation, to tell them to wait until next week or a time when some person paid in full, then maybe we could and would make them a loan. As yet the general public has failed to fully accept our business, and by us always trying to have enough extra cash to meet the emergencies of our borrowers, is one way of securing better and more favorable public opinion.

Another reason for idle cash is that some companies are compelled to borrow money and it has been the experience of our offices that we are required to carry on deposit 20% of our loan and if the balance fell below that amount, the banker has called our attention to our small deposit. Also whether it is the loan business or any other, a banker will not loan unless you have at some time carried a deposit with him. If you doubt this statement, ask your banker.

As a recapitulation, I find that 1% of our invested capital is inactive bills received, 2% of our invested capital, furniture and fixtures and 3%, idle cash, a total of 6% of our invested capital without an earning power. In other words, instead of the average loan company securing 42% per annum gross profit on their invested capital, they secure but 94 % of 42 % which is thirty-nine and forty-eight hundredths or approximately 39½% on invested capital, this being the amount that is active bills received.

Using the same offices, I find the following data as to annual expense and expenditures of invested capital; 14% for salaries, 1% for rent, 6% for both county and federal taxes, 2% for all advertising, 2% for loss accounts, 2% for miscellaneous, a total of 27% per annum of invested capital disbursed. Under miscellaneous I listed such items, phone, compiling federal tax reports, state license and bond, surety bonds of employees, postage, interest on borrowed money, janitor service, heat, light, water, printed forms and office supplies, typewriter repair, transportation charges,

auto, motorcycle, bike, repair and upkeep, lunches, attorney fees, administration charges in a chain operated office, etc.

With an annual earning capacity of 39½% on invested capital and 27% expense; the average office shows a net return of 12½% per annum on invested capital. This net return of 12½% per annum on invested capital would very much disillusion the general public who think only of the 42% per annum gross return legally allowed. It must at all times be recognized that this item is subject to expense deductions which are heavier in our business than in most other lines.

Therefore I would make an additional charge of at least five per cent. per annum either actually charged or anticipated, this to be as a reserve or contingent fund. Every intelligent credit firm recognizes that such a fund is a necessity. We may have some unexpected calamity to our community or our country or a loss of the personnel of our stockholders or employees. There has been in the past and from the law of averages there will be at some future time other earthquakes, a pestilence far worse than the flu, a repetition of the Indiana and Ohio flood or 1913 or another Galveston or Johnstown, Pa., flood, another Pueblo disaster, another Chicago fire, mining or railroad disasters, a breakdown of our money system with consequent financial troubles and industrial panic. Also we may have a dishonest employee whose shortage will be far more than his surety bond and in addition to a cash loss, the office may get adverse publicity which cannot be measured by dollars and cents. Also the manager and assistants of an office can easily and quickly overload the loans of an office and cause a greater loss than the 2% per annum that I used.

A popular fallacy is the fact that authorized capital stock is invested capital. In reality, invested capital is composed of capital stock or original cash investment, plus any borrowed capital, invested in the business. It is, if anything, more essential that a profit earning be shown and guaranteed upon the borrowed increment rather than upon the authorized legal investment.

For all of the above reasons, I do not think the 5% per annum charge as a reserve or contingent fund is too high, it is not enough.

With these percentages, taken from operating office, we have a net return of 12½% per annum on invested capital if no reserve fund is charged. What further justification of our present rate of 3½% per month gross charge is necessary?

If further justification is needed, we are all familiar with the fact that within the past few months, first class commercial paper, on firms which would guarantee the payment of both principal and interest charges at maturity, have returned 8% to the investor while municipal and gravel road bonds have sold on a basis to return the investor from 6½% to 7%.

It would be no more than good business to assume that the small loan business into which the element of hazard enters so prominently, should not only guarantee to the investor an equal but a much greater annual return.

ADDRESS OF COLONEL JOHN B. REYNOLDS, GENERAL SECRETARY, INDIANAPOLIS CHAMBER OF COMMERCE.

Mr. President and Gentlemen:

Any apologies which may be in order for my appearance before you should be demanded from your good friends, Dana and Hartz. Little did they know, when asking me to deliver an address, that they were asking an utter impossibility. The fact that I was unable to convince them of this, is proof conclusive that my command of the spoken word is not as effective as it might be. Otherwise, they would have been convinced in advance of what I am now about to prove to all of you.

It is indeed with much pleasure that I appear before you to offer, in my poor, halting manner, a most genuine welcome to our good city which is as much yours as ours. Personally, I have never

COLONEL JOHN B. REYNOLDS

had any other feeling than this. Indianapolis is and always will be largely the reflection of the State-Wide citizenship. We are proud of the State and our sister cities and feel that you, in turn, have similar emotions in regard to your Capital city. Indianapolis is known to be a most hospitable and friendly city. Thousands of people who come here during the course of a year are spreading this fine reputation throughout the length and breadth of the land.

As you know, the Grand Army of the Republic was entertained two years in succession and from letters received, I am led to believe that many of the old veterans would be delighted to come here every year. We hope, therefore that your organization will leave us, after a pleasant and beneficial meeting, with much the same feeling.

Few people realize how closely the remarks and activities of a person in my position are scrutinized. I have almost reached the conclusion that a Chamber of Commerce secretary has a most unhappy faculty of saying the wrong thing. It reminds me of an anecdote the Governor told recenttly which I will pass on to you.

A certain Irish woman had become a widow through the suicide by hanging in the attic, of her better half. She was naturally very much broken up over the tragic occurrence and her friend, Mrs. Murphy, called to extend her sympathy and offer condolences. Mr. Murphy had warned the old lady to be very careful of what she said, on account of the delicacy of the situation. So in their conversation, Mrs. Murphy kept entirely away from the subject which was most on her mind and was doing splendidly until her bereaved friend began to discuss the many problems of the housewife, particularly in regard to the weekly family laundry. Mrs. Murphy was interested and, in her preoccupation, completely lost sight of the recent tragedy and remarked that her friend should not worry much about whether or not the weather was good, as she had "such a nice garret to hang things in."

While I don't think anything I might say would subject me to hanging, I will try to make my comment of more or less general application.

As a group, you are very much interested in the trend of business. It has been my good fortune recently to visit cities in other states and I can say honestly that we of Indiana have not been as hard hit as some of our neighbors. It is true that business is and has been staggering under a series of body blows, but conditions really appear at last to be more settled and to give an opportunity for greater optimism for the not distant future.

The wide diversity of industry in this city and state have had much to do with this. As a consequence, we have not had the serious unemployment situation to face that has been met in other places. Never has there been a more striking illustration of the wisdom of diversifying industry.

The Industrial Exposition held here last month under the auspicies of the Indianapolis Chamber of Commerce gave most striking proof of what has sustained Indianapolis. We went into the proposition with fair hopes but with a feeling that we would not have more than 250 exhibitors. When the doors were finally opened to the public, we had almost four hundred and the interest of citizens of the State and city was so great that the crowds could hardly be handled. Complimentary comment has been received from all over the United States on our having the vision to do a thing of this sort on such a large scale at a time when business conditions are far from normal.

There is much room for improvement and you gentlemen can be of great assistance in your various communities in helping create public sentiment in the interest of economy in government—local, State and National. General Dawes has been able in a short period of time to reduce appropriations by more than $300,000,000. The budget system, however, seems to be very distasteful to some of the old school politicians who have learned to look on the public treasury as a source of supply for constituencies and deserving individuals. Senator Reed of Missouri, for instance, has demanded Dawes's removal because he has dared to interfere

with appropriations made by Congress.

There will be a meeting to-morrow noon at the Chamber of Commerce at which Mr. John T. Pratt, chairman of the National Budget Committee, and Dr. Samuel M. Lindsay of Columbia University, will present in most interesting fashion the great need of public support of the president and general Dawes in their sincere efforts to reduce the burden of taxes by increasing efficiency of government and lowering its costs. You gentlemen are cordially invited to be present at this meeting if it is possible for you to do so. In each community in Indiana should be an active and aggressive agency, within or centered around the Chamber of Commerce, to assist in this splendid and timely budget reform.

The conference on Armament Limitation now in session in Washington, is one of the most portentous agencies organized in the world's history. The far-reaching and profound proposals of our Secretary of State have, as we read, startled the whole world, including our own people.

That the frightful burden of ever increasing armaments will be lessened as a result of this statesmanlike proposal, must be made an assured fact. This can best be done by an exhibition of interest, by those who pay the bill. If the American public will line up solidly behind the administration and strengthen the stand of Mr. Hughes, it will be an inspiration to the peoples of all the earth and we may rest assured they will not fail to bring the necessary pressure to bear on their governments.

If this program or one slightly modified can be adopted, there is every reason in the world to believe that it is only the first step toward actual disarmament except for such forces as are needed for international policing. When we consider that more than ninety cents out of every dollar collected by the United States government goes for the payment of past wars or for the preparation for possible future conflict, it will be seen that the removal of this burden or a large part of it would be the greatest blessing which could possibly come to the United States and to the world.

You gentlemen represent agencies of great service. My recent rather close associations with your local members make me realize that you can be of most valuable assistance in your various communities to people who are worthy of assistance but who cannot obtain credit from purely commercial banks. The ideals of your association are high and I believe people whom you seek to serve can with perfect assurance of fair dealing entrust themselves to you. Chambers of Commerce are like-wise agencies of distinct service. They have, of course, no other purpose than to benefit communities in which they exist. You as good citizens should enter actively into your local Chamber of Commerce work without, of course, expecting to derive any direct or personal benefit. Your reward must come from a knowledge that you are integral parts of agencies which are so constituted as to do for you and other citizens the manifold things which each one would like to do for his community, but which no one can individually do.

I will not dwell on this phase of the subject, however, as Mr. Dana will present a more detailed argument to you. I am sure that if there should be one man in the audience who is not "sold" on the Chamber of Commerce—and this I doubt—he will be convinced after hearing Mr. Dana.

In closing, I wish to repeat that it is a distinct pleasure to be with you, to welcome you to Indianapolis and to express a hope that I may see you at the Chamber of Commerce whenever any of you are in our city and perhaps in your own home towns, many of which are being visited by delegations from the Indianapolis Chamber of Commerce seeking to bring about a closer feeling between the Capital city and communities through-out the State.

USURY COMMON UNDER DECISION.

INDIANA STATE CAPITOL, Nov. 16.—Finance companies charging 7 per cent. interest and 3 per cent. commission on loans in excess of $300 are violating the state usury law, Attorney General U. S. Lesh held to-day in an opinion submitted to Maurice Mendenhall, administrator of the Indiana securities department. The usury law fixes 6 per cent. as the legal rate of interest, with the right to contract for a higher rate up to and including 8 per cent.

A number of alleged violations of the law, as interpreted by Mr. Lesh, have come to the attention of Mr. Mendenhall. It is expected state officials will take action to have the practice abandoned immediately.

The attorney-general pointed out that the McCormick-Hughes act, covering transactions of small money lenders, provides for an interest rate of 3½ per cent. a month on loans not to exceed $300.

Mr. Lesh cites law.

The opinion of Mr. Lesh is as follows:

"I am in receipt of your letter of Oct. 27, 1921, requesting an opinion upon the following matters:

"'Finance companies loaning money in excess of $300, charging 7 per cent. interest and 3 per cent. commission. Is this a violation of the usury act?'

"'Finance companies discounting notes and charging in addition the regular rate of interest.'

"'Companies charging a 5 per cent. carrying charge on a note in addition to the regular rate of interest.'

"You ask whether any of the above types of financing are in violation of the loan acts.

"Sec. 7950 Burns R. S., 1914, provides that the legal rate of interest shall be 6 per cent. with the right to contract for a higher rate up to and including 8 per cent.

"Sec. 7953 Burns R. S., 1914, provides that when a greater rate of interest shall be contracted for the contract shall be void as to the usurious interest contracted for.

"Sec. 8277ii Burns Supp., 1921, known as the 'McCormick-Hughes act,' provides for the charging of 3½ per cent. per month on loans not to exceed $300 by persons, firms and corporations who have obtained a license under the provisions of such act. That law further provides that no further or other charge, or amount whatsoever for any examination, service brokerage, commission or other thing, or otherwise, shall be directly or indirectly charged, contracted for or received, except recording and releasing fees.

Calls rates illegal.

"Chapter 157, Acts 1919, being an amendment to the laws authorizing the organization of voluntary associations, provides for the organization of companies for the purpose of buying and selling bonds, loaning money, selling notes, etc., and most of the now existing 'finance companies' are organized under the provisions of this act.

"In view of the above laws and the numerous court decisions interpretating and construing same, I am of the opinion that finance companies cannot legally loan money charging 7 per cent. interest and 3 per cent. commission. This is, of course, assuming that such company has not qualified under the provision of the McCormick-Hughes act.

"The courts have held that the discount of notes in good faith does not render the contract usurious nor the payment of lawful interest in advance. (Rail vs. Heustis, 14 Ind., 607; English vs. Smock, 34 Ind., 115).

"I find no law justifying the charging of a 5 per cent. carrying charge on a note in addition to the regular rate of interest. However, I have not the contracts before me and am assuming that the 5 per cent. charge is not as attorney fees on default or for expenses of collecting, as such charges have been upheld by the courts."

MASSACHUSETTS.

The Massachusetts association had a meeting at the Hotel Bellevue, Boston, November 17th.

The meeting was called to order at one o'clock and luncheon served. There were ten present including Mr. Frank H. Pope, Supervisor of Loan Agencies, who addressed the meeting. The afternoon was spent discussing routine matters. With the exception of Mr. Pope's address, nothing happened that would be of special interest for publication.

A cordial invitation was extended to the Massachusetts association to attend the annual meeting of the Pennsylvania association on November 30th.

The next meeting of the Massachusetts association will be held on December 15th at the Hotel Bellevue at 6 p. m., with banquet.

ILLINOIS.

Sixty-one very satisfying chicken dinners were served to our members and guests, who assembled in a very choice reservation in the Terrace Gardens, Morrison Hotel, at 6:30 p. m., October 28th.

Mr. F. E. O'Bryant, recently appointed Assistant Director Trade and Commerce, Springfield, Ill., was our guest of honor, but we had as guests also a goodly number of the members' wives, stenographers, outside and office men. We were also pleased to have with us Mr. W. G. Chandler, our vice-chairman of Indianapolis. The entire party enjoyed a splendid meal, the exhibition ice-skating and other entertainment for an hour and a

half. During the dinner a comic picture was passed along the table and Mr. Lynch afterwards remarked that he thought it was a splendid joke upon Mr. Rose.

After dinner the entire party convened into a business session in one of the meeting rooms on the upper floor. After formally opening session, Chairman Snite called upon Mr. Napier to act as toast-master and our speaker of the evening, the Honorable F. E. O'Bryant, was then very appropriately introduced.

We were charmed, delighted and gratified by Mr. O'Bryant's talk, because what he said rang with sincerity and gave us assurance that in him we have one, as supervisor, who understands men and affairs of business. Mr. O'Bryant has, undoubtedly, created an attitude on the part of the licensees which will result in full and cheerful coöperation. We hope to be able to publish Mr. O'Bryant's talk in the *Lenders News* for the benefit of those who did not attend this meeting.

Report of regular committees: Treasurer Lynch advised the members that we had on hand $639.58 with all bills paid. He also reported a deficit of $735.54 on the national convention and after over-ruling an objection of the chairman to dispose of the matter immediately, the following contributions to cover this deficit were offered:

Albert P. Snite,	$ 80 00
Charles Turgrimson,	80 00
Fred Snite,	40 00
John Breen,	40 00
W. G. Chandler,	30 00
James D. Lynch,	30 00
Arthur Weinschenk,	80 00
W. P. Woll,	30 00
L. C. Harbison,	300 00
T. B. Ward,	25 54

A vote of thanks was then extended our chairman for financing the convention expenses, which avoided dissipating our state treasury.

Membership report showed the acquisition of the American Loan Company, 14 W. Washington St., Chicago, and the Beneficial Loan Society, 25 N. Dearborn St., Chicago, as new members since our last meeting. Report also showed a total of nine resignations since the organization of our association and in each case there seems to be a good and valid reason for such action having been taken. Total membership now stands, 77; 36 Chicago members and 41 down-state members.

Publicity committee reported no activities so far as state association is concerned, but explained briefly the manner in which the general publicity for the national convention was handled. As no special committees reported, a telegram from Mr. H. G. DeWeese, Field Secretary of the A. I. L. A. was read, which was sent from Parkersburg, West Virginia, in which Mr. DeWeese expressed his regret at not being able to attend our meeting and complimented our association on the success of the National Convention, recently held in Chicago and extended best wishes from both himself and the West Virginia lenders.

We then discussed briefly the recent National Convention for which our association acted as host. Chairman Snite displayed the membership trophy won by Illinois and the method of determining the winner. Chairman Snite then urged a full attendance of our members at the 1922 National Convention to be held in New York.

Chairman Snite very appropriately expressed our appreciation to Mrs. Clara C. Snyder, Messrs. Woll, Harbison and other employers for allowing their employees to give so generously of their time and effort during the convention. Mr. Snite also personally thanked Mr. Paris for his assistance.

New business: It was suggested that our State Association name be changed to Illinois Lenders Association, in order that it may conform to the new name of the national body. This was put into form of motion by Mr. Woll, seconded by Mr. Turgrimson and carried unanimously.

Mr. Napier then went rather into detail on the subject of a grievance committee and at the conclusion of his talk, all agreed that such committee was very important and would be of great value to our organization. A number of proposals were made and Mr. Harbison suggested that the grievance committee consist of the chairman, vice-chairman, and secretary of the association and that the accused be permitted to call for two other association members and Mr. Napier to attend any hearing which may be had.

After further discussion by motion of Mr. Woll and seconded by Mr. Lynch, the entire matter was referred to the executive committee, who were requested to report on same at next meeting.

Following this, brief remarks were made concerning the Illinois Chamber of Commerce and the Chicago Association of Commerce, both organizations being highly commended and our members vigorously urged to join.

The *Credit World* was then brought to the attention of the meeting and the advantage of subscribing for same was mentioned.

Following this, a proposal was made that a Loan Managers Club of Illinois be formed to meet once each month and to be conducted by the managers of the various offices, membership, of course, being granted to employers or other employees, who are interested in the discussion of purely practical loan subjects.

As an illustration of what the Loan Managers Club would talk about, extracts from a four page outline were read. This outline started with the advertising for business, taking up in logical sequence the kind of customers coming from the various advertising mediums; then the applications; how they should be handled when applying by telephone; when calling at the office personally; then the investigation of the applicant; the instructions for doing so to be given the outside men; the method of arriving at a conclusion as to the merit of the loan; the making and closing of the loan; then the collection, renewal and increase, etc., of that loan up to the point of the use of assignments; proper procedure in case of enforced collection; litigation and recording extensions of mortgages, releases, etc.

This, naturally aroused a great deal of interest but the employers in attendance rather opposed the idea and while their reasons seem logical, a compromise may be affected. With that in mind, perhaps, Mr. Harbison moved that our next meeting be held in the afternoon; then after dinner our speaker of the evening to be heard; then the remainder of the time devoted to the discussion of such subjects as proposed by the embryonic Loan Managers Club of Illinois. This motion was duly seconded and carried.

"Can loans of $25.00 or less be made at a profit of 3½%"? was then discussed generally, but especially by Messrs. Henderson, Woll, Harbison, Heywood and Ward. The general trend seemed to be to encourage everyone to make loans from $10.00 up and Mr. Ward wondered what all the talk was about, for he did not know of a single licensee who refused or did not encourage small loans.

The subject of "how to educate customers to pay when their accounts are due without notice" was then touched upon and some good points brought out by Mr. Rose and others.

Owing to the lateness of the hour, discussion of several other subjects, which had been selected, was dispensed with and a motion to adjourn was carried.

Because of the good dinner and entertainment and because of the presence of so many of the ladies, which made it possible for Mr. O'Bryant to remark that it was the best looking crowd he had seen for some time and because of other very pleasing remarks of Mr. O'Bryant, together with the general high rank of interest shown in the affairs of the association by all present, this meeting was, by unanimous opinion, unusually profitable and satisfactory.

L. T. BAKER, *Secretary.*

MARYLAND.

The Maryland Association met in the board room of the Merchants and Manufacturers Association, Baltimore, Md., November 15th.

Meeting was called to order by the chairman, H. T. Mattingly.

Twelve answered present to the roll call and the following visitors were present: Messrs. Wick, Young, Rutherford, Masters and Moss.

Application for membership from the Beneficial Loan Society of Baltimore and the Citizens Loan Company of Hagerstown were read and both were elected to membership. The secretary then reported the application from the Citizens Loan Company had been acted upon by the executive committee and that dues had been paid up in both the State and National Association.

The resignations of Mrs. Amelia Bayline and the Lend-A-Hand Company were both accepted by a vote.

Mr. Hougham, chairman of the exchange bureau, reported there was a small likelihood of having said bureau in operation before the first of the year on account of being unable to get definite answers from possible members. This report started quite a discussion as to the merits of the system as outlined, and in which discussion most all present, joined in to express their views.

Delegates Hougham and Larsen, to the National Convention at Chicago, gave a brief report on convention matters and both spoke very highly of the efforts of the Illinois Association in putting everything across as they did.

A letter was read from the secretary of the Pennsylvania Industrial Lenders Association, inviting all our members to their next annual meeting and banquet

on Nov. 30, 1921. Messrs. Wick, Young and Moss, united in bringing pressure to bear on all present to attend, not only for the good time that was guaranteed, but also for the benefits that would be derived from hearing the prominent speakers that would be there.

After short talks from new Managers, Moore and Snyder, the meeting was adjourned at 9:30 p. m.

IOWA.

Under date of November 15th, T. J. Harrison, chairman of the Iowa Association writes:

"I feel that we here in Iowa would be very ungrateful if we did not express in some way our appreciation of the splendid work done by Mr. De Weese in this State during his eight-day visit here. No doubt, he has reported to you the results obtained, but we are so elated that we want to tell you about it.

"It seems that Mr. De Weese is not only capable of getting the names on the dotted line, but he has a way of making everybody feel good when they hand him their check and I am sure that the American Association will find Iowa among the "top notchers" from now on.

"We are going to have a big meeting in Sioux City in January, 27th and 28th, and we would like for some of you folks to be present and I am sure every Lender in the State would enjoy meeting Mr. De Weese again. We now have twenty-six members and I believe all of them are members of both, State and National."

THE USURY LAW.

Failure of Statute to Change Real Value of Money in the Market.

To the Editor of The New York Times:

To attack an old established custom, especially one having its root in an ostensible desire to protect the poor from the consequence of their poverty, is an act not unlikely to give rise to misunderstanding and perhaps to imputation of sinister motives. Yet when one sees the supposed beneficiaries of restrictive, financial legislation become its unconscious victims, when the supposed fabric of shelter becomes an instrument which impedes their progress, it is hard to refrain from pointing out to the sufferers how their hardships are intensified by the very custom which they have been taught to regard as their protector.

More than forty years ago I told an old man that I had talked with a man two miles away through the medium of a wire. He was surprised and incredulous because he had not kept up with the advances in physics. So the testimony concerning borrowing and lending on bond and mortgage developed by the Lockwood committee surprises people who knew nothing about current practices. To those who did know the story was commonplace. Except for some new devices of evasion, conditions always have been similiar to the conditions of to-day. Any one who knows human nature and what it will do in the face of such illogical legal obstacles as the usury law could have predicted the outcome with entire confidence. It always will happen.

The usury law is an anachronism. It grew out of a very natural desire to mitigate the hard lot of men who had to borrow because they were poor and in danger of starvation.

To charge a needy brother any interest upon money lent to supply food, clothing or shelter for himself or his family was repugnant to Jew and Christian alike. But this creditable attitude is not involved at all in the lending of money for purely commercial transactions in which normally a profit is earned. The usury law always has borne and always must bear hardly on the man with poor security. When money was plentiful for ordinary mortgage loans at five per cent. some careful people were willing to lend money for four per cent. on superior security; others, willing to take the risk, lent money at ten per cent. when the security was poor.

In 1850 to borrow money was made easier for corporations than for natural persons. In effect, the usury law was repealed when a corporation was the borrower. Lenders accomodated natural persons at their peril if they charged more than six per cent. The inevitable consequence is that the person with poor security who might obtain a loan at nine per cent. if such loan were lawful, must pay eighteen per cent. more or less, because he must resort to those willing to break the law of the State and take the chance of losing their principal. Of course, they cover up the transaction as best they may by one device or another in the form of bonus or commission or exchange of property or otherwise.

Should we not accord to the natural person the same privilege accorded to a corporation to borrow money upon such terms as he can get in a free market, paying a rate proportionate to the security he offers?

The existence of the usury law created a prejudice against an interest rate in excess of six per cent. It has been an incentive to falsify public records and make mortgages that do not tell the truth. By its recording act the State protects persons who deal in real estate, who own real estate, or lend money on real estate as security. The State should require that every instrument it records shall tell the truth and the whole truth. Men shrink from publicity as to their transactions. When nine-tenths of the conveyances recite untrue considerations and a large percentage of mortgages do likewise, no wonder men hesitate to put truthful instruments on record. If all were compelled to do so, transactions are so numerous that no one would feel subjected to undue publicity.

A truthful record of conveyances would check many frauds and be of value in many ways. A true record of mortgages would show from day to day the prevailing rate of interest on mortgages offering varying degrees of security.

Incidentally, there is no usury law in Massachusetts and the record shows rates of interest running up to twelve per cent. or more. Does any one suppose borrowers really pay more in Massachusetts than in New York?

It is no sin nor is it foolish for a borrower to pay twenty per cent. for the use of money if he has a reasonable chance of making forty per cent. There are cases where it may be not only no sin but wise and prudent to pay twenty per cent. for a loan, small in proportion to the total value of the property, to save an enterprise from wreck; neither is it a sin for some man knowing the facts to take the risk of lending that sum of money at twenty per cent. He is entitled to know all the facts; he is a special partner in the enterprise; he gets his return after other lenders if there is any return to get.

May we not hope, now that more people know the ordinary facts, that the market for money may be made free and that public records may be made honest. Some may say it will be hard to secure honest conveyances. I think the law may be almost self-executing and in a little time the habit will be formed. The bar and the title companies will see that no dishonest instruments are executed in their offices.

I am not unconscious of the fact that the repeal of the law might be attended by some unpleasantness to some borrowers who have overdue loans, but unless the law is to remain unchanged forever this contingency may as well be faced now, as similiar conditions will exist whatever time may be chosen for repealing the law. LAWSON PURDY.

New York, June 14, 1921. (Reprinted from the New York Times, June 21, 1921.)

INGRATITUDE.

Says the Editor of the American Magazine in the December number:

"Gratitude is an interesting subject. Here is a thought: Suppose you are prosperous and lend money to a less prosperous old friend. Do you expect that friend who is less fortunate than you to feel especially contented just because he discovers you have so much money that you can afford to loan some to him? Make the loan, if you want to; but don't fool yourself into the idea that because you do so your friend will feel more comfortable toward you. He will probably feel less comfortable, because the transaction compels him to compare his want with your plenty, and the comparison in your case is more disagreeable than it would be if you were a stranger. Banks and surety companies and other *impersonal corporations* are a blessing for this very reason—they decrease ingratitude by protecting us from the envies and jealousies of our oldest and dearest friends."

[*Another reason for our existence.—The Editor.*]

COMMUNITY STANDING.

W. T. HAAS,

Warren Loan Company, Warren, Ohio.

Mr. Chairman, Ladies and Gentlemen and Members of the Ohio Loan Association:

The subject that has been assigned to me is *Community Standing*. Ten years ago no such subject would have been assigned to any speaker because the loan business had no standing in the community. To-day, by reason of the character and integrity of the loan men, it has risen to a higher plane. The loan company is considered an absolute necessity and to-day we can truly say we are proud to be loan men. In fact, we are in a good deal the same position as an

Irishman, who was discussing with two of his friends, one of whom was an Englishman and the other was a German, the merits of their respective people. Hans, the German, said to Tom, the Englishman, "If you were not an Englishman, what would you rather be?" To which the Englishman promptly replied, he would rather be a German. Then the Englishman said to the German, "If you were not a German, what would you rather be?" To which the German replied, he would rather be an Englishman. Then the Englishman smilingly said to Pat, "If you were not an Irishman, what would you rather be?" The Irishman replied by saying, "Faith, then I would be ashamed of myself." I can truly say to-day we would be ashamed to be anything but loan men. I am going to talk seriously to you men for a few moments on what we men should do to uplift our business to a still higher plane. I think every man here to-day should belong to the Board of Trade or Chamber of Commerce in your different cities. The Warren Loan Company is an active member in the board of trade of our city. It was organized eight years ago and since that time it has worked wonders for us. We started out to get a steel mill and were successful. The Trumbull Steel Co. located with us. It seemed large at that time. I think they incorporated for about three million dollars. To-day the same company is capitalized at 29 million dollars and we considered it the back bone of our business besides that we have been able through the co-operation of all our members to induce scores of smaller plants to locate with us. Our population has increased from 11,000 to about 30,000 in the last eight years so you can see that membership in an organization of this kind is not only a good thing for us financially but it also helps us to make the acquaintance of the live men in our locality.

I think that we should all belong to some credit organization, if we have one in our city. It is certainly a profitable thing for any one in our business to be able to exchange information which later might save us from many bad loans. Not only that, but by our having acquaintances over all the city, it will help us to put good business on the books. Our friends will not be likely to send us bad customers.

Men, if you have a Rotary or Kiwanis Club in your city by all means take advantage and join same immediately. It makes tears come to my eyes when I think of what the Kiwanis have done in Warren. We are not out for glory, we are out to see where we may be of service to our fellowmen.

Sometime ago we took up the work of finding out just what would be done to better conditions in the foreign district of our city. We decided that this district had no play-grounds. We got busy and took a tract of land, fitted it up so that the larger children would have a chance on one side to play baseball, basketball, tennis, etc. While on the other side we installed swings, shoots, slides, merry-go-rounds, in fact, all equipment you will see in an uptown city play-ground. Do not misunderstand me about the work on this matter because the members of our club came down armed with spades, hammers, tools of every description and only after hard work did they get everything in tip-top shape. It would do your heart good to make one call at this particular playground and see all the different types of children enjoying themselves. Some are negroes, some Italians, Greek and, in fact, anything you would want to name from Mexicans down to Japanese. We decided that to make a success of it, we must have a director so we now have a young lady who directs the play, also handles sewing classes and educational work of all kinds. We want these children to be 100% Americans, and I can see in the faces of these foreign-born mothers and fathers that they appreciate what we are doing for them. We do not expect to quit here, we are going to put in more playgrounds in different parts of the city. You know the motto of *"Kiwanis"* is *"We Build."* We are furthering plans for a community swimming pool to be used both summer and winter. Don't you think that we will make the children happy and healthy? We also started a more Beautiful City campaign this summer and, say, that worked wonders. The merchants gave prizes and everyone was trying to out-do his neighbor in having the best flowers and the best kept lawns in his neighborhood.

We have now underway a plan to have a Tuberculosis Hospital to take care and to try to cure them of that terrible malady. Men, don't you think this is a noble work? I know the people who live in our city, appreciate the good things our club is doing. Then, besides that we all enjoy the work. We have a jovial crowd of good business men at our noonday luncheon each week. I say good men because we do not have anything else. If you are a drone, do not try to keep membership in this organization because it is impossible. We meet every week, and we have good music, and the best speakers it is possible to secure. Aside from that we have our own song books, and we all sing together each meeting. Every three months we have an entertainment for our wives. Surely anyone here not belonging to either the Rotary or Kiwanis Club should immediately try to gain admittance at once. Boys, it is wonderful work! Do you ever go to your City Council meetings? If not, you should. It is easy to criticise your city government, but the question is, are your criticisms just? Be sure you are right before you say anything about what your past or present council have done.

We men who manage loan concerns should be the best informed business men of every community because we deal with the common class of people. They sort of look to us and expect us to keep them on the right track. We should always give them our honest opinion and help them to solve their various problems but first of all we should be sure that the opinion we are giving them is the just and right one. If we have been interested in our city government and have gone to some of the meetings we will be able to give these people sound advice on either practical or political questions.

Rodger Babson, probably the greatest statistician of all time, has said, "We need more real religion in this country. Not religion for *any* class, but more religion for *every* class." Capitalist and workingmen, he has said that we do not need to fear anything from without, but that we should fear from within. Business men in the United States pay millions of dollars for his reports each year, so he must know what he is talking about. Now, men, years ago our business was dragged into the mire by unscrupulous money-lenders. It is up to us to not only pull it out, but we must keep it out. The way to do that is for each one of us to do our share. To begin with, let each one start to-day by first being honest with ourselves. Then we know we will be honest with everyone else. Start in by trying to do some good thing every day if we have to do it after working hours. Join the various organizations of your city, who are doing what might be termed Charity Work. Do not let a day go by without at least doing something if it is only by word of mouth to help someone who is not as well off as you are. It will not be long before the people in your city will have that everlasting respect and confidence that rightfully belongs to you. You will say, what effect would that have on my business? It certainly would not pay any dividends. Men, it does pay dividends and big ones too. The fact is that your company is judged to the letter by what your standing is in your community. Don't you think it is possible that 500 men and women in your city would have borrowed money from you in the past if they knew you would treat them right? I think that statement would apply to all of us. Not that any of us are dishonest, we could not be dishonest if we wanted to be. The law governs that but the people on the outside do not know as much of our business as we do so the only way we can do is to gain the respect of all possible, with the result that the combined efforts of all these people will do wonders by increasing our loan balance, and should we have the misfortune of having a customer who is trying to defraud us of our money, our friends will invariably try to help us. Should some radical politician try to take our present law away from us, and substitute one that would be detrimental to our business, boys, then your friends will prove a valuable asset to you.

Do not forget that it is your standing and the standing of your employes' in the community where you live that will prove to be the rock on which we plan our future business.

(Read at the Managers' Session, Ohio Association annual meeting, Aug. 18, 1921.)

ARRESTS AND FORECLOSURES.

T. P. Carroll,
Akron, Ohio.

I do not know of anything connected with the loan business that every manager wishes more than that there was no such animal existing as what constitutes the subject of "Arrests and Foreclosures." But unfortunately the necessity does exist and sometimes must be resorted to to correct the interest involved. Infrequency of applying either of these or previous success in gaining an advantage of causing arrest may befog a real appreciation of their importance as to

the result to be obtained. Especially is this true in the case of criminal action.

An experience I had in a criminal case not long ago brought out the full importance of this step to me and I am sure caused this subject being assigned to me to be read at this convention that all managers may profit by it by recognizing the one very important factor of being absolutely sure of your ground for arrest and your man, and avoid the mistake I made.

Two years ago I made a loan to a man upon a truck. He has a bill of sale showing the truck was his, the court records being clear the loan was closed after the mortgage was signed by himself and his wife. The first payment being in default, an inspector was detailed and he found the fellow had skipped. Investigation located the wife at her parents' home in Orville, Ohio. A letter was sent her. She took the que and fled to him. Fourteen months elapsed when we succeeded in tracking him to Canada, and were informed that he returned to Ohio. I then got in touch with the cashier of the Orville Bank, who knew them. He advised me that they had been there, but had just left for Chillicothe. I then sent the account there to a loan agent, who after several letters had been exchanged, advised me he had talked to the man's sister and was sure of identification and had located them at a Columbus address, which was verified by the Columbus office inspector. Here is where I made the error of causing the arrest without being absolutely sure, as I took for granted that we had the right man from what I had learned by correspondence, only to learn that we had the wrong man the minute I saw him. This may sound queer now that it is explained, but as I saw it I was sure, but not absolutely, and should have made myself so by going to Columbus for positive identification before the arrest was made. This mistake resulted in the man demanding damages for false arrest. Fortunately we were able to settle for the small sum of $150.00, thanks to our president, Mr. Dyer, who adjusted the matter for us.

Again to call your attention as to how easily this mistake can be made: Two weeks later the Ravenna Bank paid $1,700.00 to settle the same error.

There is no criticism or censure offered in this narrative to any one mentioned as it is only an experience and it is hoped will serve the purpose for which it is read, viz: to be absolutely sure of yourself before you start a criminal action.

As to applying criminal prosecution in our business: It all depends on where you are located as to the kind of court you would be obliged to go to. Up to the time a municipal court was created in my city I had a soft thing getting a settlement in justice courts, there being four justices located in Akron who were anxious for fees. I do not mean that any favors were shown our actions, but it provided a court where an offender could be brought and made to realize what he had done, and the necessity of settling rather than prosecution. When there is only a municipal court with no branch of conciliation, results are difficult. In most cases of this character there is a family connected and generally all appear in court, and you can rest assured it has a bad effect on the case when it is learned that the prosecution is collecting 36% per annum. As the one case I brought in the criminal branch showed me it was a poor place to go to force collection. Now to substitute this procedure I have an affidavit made up as pretentiously as possible and let the parties, where I can reach them, read it, and a nice little talk will get a settlement or a rearrangement that will be satisfactory and eventually pay out. Of course, this method depends solely on the character of the case, but where there is a premeditated act to defraud by getting a loan to my view the ordinary method of prosecution is not of the right kind to have the proper effect toward the prevention of the practice.

It has long ago occurred to me that some specific center as a prosecutor of this particular offense could be established that would tend to eliminate to a great degree the offense. To illustrate: Suppose a crime of this nature was committed in Akron and the prosecutor was the Ohio Loan Association, who would prosecute to the full extent and upon getting a conviction and penalization, the result in the shape of a bulletin would be sent every member of the Association, whose duty it would be to see that it got into every paper in his respective city as a prominent news item, even if it had to be paid for, for the purpose of promulgating to every one that crimes of this kind would be punished by a prosecutor who would have the prevention of such crimes the motive of prosecution rather than recovery of money, as recovery is very rare. The expense that would be incurred, if this suggestion could be made practical, could be met by an annual fee of each member paid into the Association, and I think in a short time we would learn that it would be cheap insurance.

Up to July 16th, this year, the state lines of Ohio looked like a stonewall and one mile high to a manager when he found a skip had removed beyond it, and no doubt was considered a safety zone to skips after crossing it.

With many thanks to one of our members, Senator DeWeese, we now have a law in Ohio which makes it a felony to move mortgaged property out of the state, to sell, to secrete, or to defraud same. This law is a great asset to our business and should be appreciated by all engaged in the business of applying it to cases that merit it, to consummate the purpose that promoted its enactment. I do mean by this that each case of this kind should be immediately rushed into criminal action as it will not be necessary, for it is surprising how quickly people gather knowledge of things that are interesting to them, and our and their position on matters of this kind can be made very plain to anyone who would move his furniture out of the state without the ceremony of settling his bill before leaving, if I may also add to this suggestion already offered that a carefully compiled letter on the stationery of the Ohio Loan Association and signed by it together with a copy of this law be mailed either from the Association or the local office, and will work wonders in the collection of accounts out of the state that are now dubious or lost altogether.

Foreclosures of chattel mortgages are procedures of collection that depend solely upon each individual case, and must be carefully weighed before starting a suit. It is a slow process and when carried through to a sale of household goods, it certainly is a tragedy that no manager welcomes, and avoids as much as possible, which accounts, I believe, of the very few cases so disposed.

The best time to think of foreclosure is at the time you are making the loan. I have learned it is not so much a matter of security or environment of the household as it is of the character of the man, and not making too large a loan or one that you feel is beyond his earning power, also if he is industrious there is little fear of foreclosure, and when it would seem necessary it can be avoided, at least it is my experience, by having a petition made up in your office, call on your party, check the security, and then let them read it. Just a few minutes is necessary for them to get what it means, and invariably that is as far as you will have to go. I find the best way of adjustment if you cannot get a settlement in full is to collect all you can in cash and then renew your mortgage and note, and return them the cancelled mortgage. This gives them the idea of a new transaction and that you mean business, and you will find you have a good customer.

Do not let your customer know you are bluffing by letting the matter drag. Close your adjustment quickly, otherwise they will get wise and you may have trouble.

When a case forces an actual foreclosure in a court of action, I have, after they have been served from the sheriff's office, been able to get them to sell at private sale by showing them how much more money they can get this way. When this can be done you get your 3% per month until paid and the courts only allow you 6% after judgment.

In closing I wish to say that the best time to avoid "arrests and foreclosures" is when we make the loan.

Read at the Managers' Session, Ohio Association Convention, Aug. 18, 1921.

ADS IN THE "I. L. N." PULL.

One member in need of a manager writes in regard to an ad inserted in the October NEWS:

"I have received the numerous letters of application that came as a result of my advertisement in the LENDERS NEWS. It certainly has brought results."

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YOUR

YEAR BOOK FOR

1921

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APR 8 1922

INDUSTRIAL LENDERS NEWS

Official Organ American Industrial Lenders Association Which Is a Member of the Chamber of Commerce of the U. S. A.

Vol. VI. No. 7. JANUARY, 1922. Price, $1.00 a Year.

RE DUES.

On February 1, the semi-annually dues of the A. I. L. A. will be payable through the State Secretaries to the National body, in organized states. In unorganized states, members will remit direct to the National Secretary's office at Harrisburg. The dues for the present year will remain as written in the Constitution at Atlantic City, as the discussion on the subject at our last national convention in Chicago resulted in no change in this respect.

All members should note Article II in our Constitution which reads as follows:

Dues. Dues shall be based on the average loan balance of each office for the previous calendar year, at the rate of at least fifty cents per thousand, with a minimum of $10 and a maximum of $100 per annum, and shall be payable by each State Treasurer in organized territory and by individual members in unorganized territory, semi-annually, in advance, February 1 and August 1. Any member may elect to pay $100 per office per annum, in lieu of a declaration of its loan balance for the previous year, to the state or national officer to whom dues are payable.

In connection with this matter, we reprint a timely and interesting letter from J. H. Dyer, Columbus, Ohio.

"I have read with much interest the letter written by Mr. East dated Dec. 24th, referring to the distribution of the Year Book. Usually I agree with everything Mr. East writes, but in this instance I want to say that during this year, it may be necessary to pay for the Year Book, the News and any other information that may be distributed by our National Secretary, but I think this should be the last year that special charges are made for the services rendered by the National Body. The basis of our present system of dues is wrong. I shall hereafter favor the payment of dues at the rate of $1.00 per thousand invested capital with no minimum and a maximum of $200 per office. There is no good reason why a large office should be limited to the payment of $100 or why any operator with a number of offices having a small invested capital should be permitted to pay more than the regular dues.

"Our present system works inequitably in many instances and at the same time we do not have sufficient revenue to pay legitimate expenses of operating the association. In my opinion, all members should pay a sufficient amount of dues to give them gratis, all of the service provided for their benefit by the national body. It is detrimental to the best interests of our association to ask our members to pay dues and then be continually demanding compensation for every service rendered. It is unusual to request the members of any such association to pay extra for a report of the proceedings of the association or to subscribe for the only official paper that gives them the news. Many of us have long felt that we should have a monthly skip bulletin for the private information of our members but such a list should not appear in our official publication. The expense of these and other benefits should be gratis and provided for in the annual budget and the dues should be sufficient to cover all such expense, along with the expense of management. I think we are getting strong enough to meet this situation squarely and provide dues that will raise sufficient revenue and I believe the above outlined plan will require all members to pay on the same basis and thus protect those who have in the past been doing most of the work and paying the greater part of the expense. Further, I believe now is the time to commence to crystallize sentiment in favor of a change of our constitution relating to dues."

We would like to hear from others on this subject for publication and education.

On this subject L. C. Harbison, Chicago, contributes this helpful suggestion:

"In suggesting the questionnaire re procuring expressions from individual members in the matter of increasing dues in the A. I. to $1.00 per thousand instead of fifty cents per thousand on invested capital as at present, I did not have in mind any special form of presenting the matter to them.

"It seems to me a letter of explanation should precede the inquiry and, if possible, give a good reason for increasing the dues.

"Would it not be sufficient to simply submit in a brief way the activities and purpose of the Association, a tentative program and the approximate cost. In other words, show the need for additional funds and simply ask every member if he is willing to stand for the raise in dues, so that the Association may enlarge its activities and the cost be evenly distributed among the beneficiaries."

HON. EDWIN R. COX.

"Father" of the Penna. Anti-Loan Shark Law.

Mr. Cox, a former member of the Pennsylvania legislature and at present a member of the Philadelphia City Council, made a stirring speech at the Bellevue-Stratford Hotel, Philadelphia, November 30, on the occasion of the sixth annual banquet of the Pennsylvania Association, of which he was the honored guest.

On account of pressure of other work, Mr. Watts has been unable to furnish us with a detailed report of this event for this issue, but it will be published later.

1921 YEAR BOOKS.

During the present month we began the distribution of our 1921 Year Books which include the names of the officers of the State and National Associations, a list of the members of the National Association according to states alphabetically arranged and up to the date of going to press, the addresses and papers read and the reports given at the Seventh Annual National Convention held in Chicago last September. The appendices include the national organization constitution and by-laws, the last revision of the uniform small loan bill and a digest of the existing state statutes regulating the small loan business.

To simplify the distribution and reduce the detail of collection in the National Secretary's office, many of the State Associations, notably, Ohio, Indiana, Illinois, Pennsylvania, New Jersey, Maryland and Michigan ordered and paid for enough books to send to their members with their compliments.

(*Concluded on page 2.*)

INDUSTRIAL LENDERS NEWS

Established 1916.

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Correspondence and items intended for publication should be addressed to Geo. W. Kehr, 204 Chestnut St., Harrisburg, Pa.

NATIONAL OFFICERS, 1921-1922

Chairman, W. G. Wood, 268 Westminster St., Providence, R. I.
Treasurer, C. H. Stratton, Sullivan, Indiana.
Secretary, G. W. Kehr, 204 Chestnut St., Harrisburg, Pa.
Field Secretary, H. G. DeWeese, 1948 N. High St., Columbus, O.

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Ga.—A. B. Madison, 103 Central Bldg., Atlanta.
Ill.—L. C. Harbison, 81 E. Madison St., Chicago.
Ind.—Robert Spencer, Jr., Grant Saving & Trust Co., Marion.
Iowa.—T. J. Harrison, 115½ E. 4th St., Waterloo.
Md. H. T. Mattingly, 322 Equitable Bldg., Baltimore.
Mass.—W. E. Pool, 63 Court St., Boston.
Mich.—F. E. Stroup, 507 Commercial Bank Bldg., Grand Rapids.
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Ohio.—Col. R. V. Barto, Columbus.
Pa.—A. S. Ezekiel, 301 Denckla Bldg., Philadelphia.
R. I.—W. G. Wood, 268 Westminster St., Providence.
Va.—L. E. Pope, 706 Chamber of Commerce Bldg., Richmond.
W. Va.—H. L. White, 220 Schmulbach Bldg., Wheeling.
Unorganized States.—R. M. Rutherford, 175 Fifth Ave., New York.

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Auditing, H. T. Mattingly, 322 Equitable Bldg., Baltimore.
Finance, W. P. Woll, 337 W. Madison St., Chicago.
Law, F. R. Hubachek, Esq., 610 McKnight Bldg., Minneapolis, Minn.
Legislation, C. H. Watts, 1011 Chestnut St., Philadelphia, Pa.
Publicity, E. P. East, 175 Fifth Ave., New York.
Membership, J. H. Dyer, 404 Commerce Bldg., Columbus, Ohio.

The National Council is composed of the National Officers, Vice-Chairmen, and Committee Chairmen.

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Conn.—H. G. McMullin, 757 Main St., Hartford.
Ga.—E. L. Wight, 913 Atlanta Trust Co. Bldg., Atlanta.
Ill.—L. T. Baker, 109 N. Dearborn St., Chicago.
Ind.—R. F. Hartz, 347 Bankers Trust Bldg., Indianapolis.
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N. Y.—R. M. Rutherford, 175 Fifth Ave., New York.
Ohio.—J. F. Anderson, Bushnell Bldg., Springfield.
Penn.—C. H. Watts, 1011 Chestnut St., Philadelphia.
R. I.—J. H. Wickstrom, 87 Weybosset St., Providence.
Va.—H. L. Keiss, 205 Wither Bldg., Norfolk.
W. Va.—F. H. Withrow, 27 Arcade, Charleston.

1921 YEAR BOOKS.

(*Concluded from page 1.*)

Books have been sent to non-members with a bill for a dollar, in the hope that they will appreciate the work involved sufficiently to be willing to pay for the cost of printing and distribution.

Complimentary copies have or will be sent to public officials, public libraries, and public welfare organizations before the work is completed.

Any individual, firm or corporation engaged in the small loan business that may desire a copy of this book before the supply is exhausted should send a dollar at once to G. W. Kehr, National Secretary, Harrisburg, Pa.

The book will be sent to any public official, public library or public welfare organization without charge upon application to the National Secretary, so long as any copies are available.

ADDRESS WANTED.

On August 17, 1921, one of our Pennsylvania members made a loan of $275.00 for period of eleven months, payable $25.00 monthly with interest, to Martin B. and Margurette Breneman. Three payments of $25.00 each with interest were paid, then they left for parts unknown, presumably Atlanta, Georgia. The money loaned this party was used to buy a Ford touring car which he used to solicit orders for butterine. The car bears number 2229816, model 1917, and from what the member has since learned, they used the car with which to abscond. Breneman had several former accounts at different times and paid fairly well. He is a man of possibly twenty-five years of age, medium height, weight about 140 pounds, dark hair, smooth and fluent talker and on the surface appears to be very frank and makes a very good impression.

The member reporting this case will appreciate it if any information is secured that will lead to the location of this skip if it is sent to the National Secretary.

SOME COMPARISON.

The so-called 42% loan sharks will be interested to know that the Federal Reserve Bank of Chicago earned on its capital stock in the twelve months ending December 31 last, 101. 31%, while the New York Federal Reserve Bank earned 97.3% on its capital stock. Of course, there is a difference too in the manner in which the industrial lenders and Federal Reserve Banks do business. The one is limited to a maximum rate of 42% a year which cannot possibly be increased by any manner or means, no matter how many times he turns over his capital, and out of that 42% gross, which experience shows cannot possibly be collected on the capital invested, the lender of small sums to the industrial classes who have no banking accomodations, is required to pay out of this 42% all overhead such as office rent, salaries, stationery, postage, telephone. licenses, bonds and losses. Even though the rediscount rates of the Federal Banks may be five or six per cent per annum, the large volume of business and the comparatively low overhead, makes it possible for it to earn an unusually high rate on the capital invested.

IOWA.

Under the caption, "Lenders to Meet Here," we reprint from a Sioux City paper an article appearing January 6:

The Iowa Industrial Lenders association will hold its semi-annual meeting in the Martin hotel on Tuesday and Wednesday, January 31 and February 1.

F. L. Hutchins, president of the Chamber of Commerce, will deliver the address of welcome when the first session is held at 10 o'clock Tuesday morning. John J. Large, president of the First national bank, will deliver an address on "Banks and Small Loans," and A. L. Whitmer, secretary-treasurer of the association, will give the business report. B. E. Henderson, representing the Loyal Loan company, of Des Moines, will speak on "Co-operating with Local, State and National Organizations," W. G. Wood, chairman of the American Industrial Lenders Association, Providence, R. I., will also give a talk.

The afternoon session will be occupied with a discussion of advertising, the unemployment situation, small loans and other matters of interest to the lenders. At 6:30 o'clock the guests will be entertained at a dinner by the Provident Loan Association of Sioux City. T. J. Harrison, of Waterloo. will act as toastmaster, and Hon. A. W. McFarlane, speaker of the Iowa house of representatives, and Rev. J. R. Perkins, of Council Bluffs, author and statesman, will deliver addresses.

Business matters, including a revised constitution and by-laws and increasing the executive committee, will be taken up during the last session Wednesday morning.

KENTUCKY.

Heading an article, " 'Loan Shark' Bill Modeled on Pity,' " the Louisville Courier-Journal under date of January 18, prints the following from its Frankfort Bureau, dated January 17:

"An 'anti-loan shark' bill, containing much stronger provisions than the measure which was defeated at the 1920 session of the General Assembly was introduced in the House to-day by Representative D. A. O'Donovan of Covington.

"Mr. O'Donovan's bill makes it a misdemeanor, punishable by $500 fine or six months' imprisonment to charge more than 1 per cent. a month on loans of sums not in excess of $300, denies the right to loan agencies to take interest in advance or to collect interest on the entire amount of the note when paid in monthly installments. It also provides for rigid inspection and a $100 license fee for small loan brokers.

"Another provision is that not more than 10% of the debtor's monthly wages can be taken on a garnishee action on such a note.

Bill Inspired by Pity.

A strong fight against the bill which went to the Committee on Banks and Banking is expected if it is ever brought out. and Mr. O'Donovan declared tonight that he will fight to have it brought out. He said the bill was inspired by pitable cases of working men and poor persons, who, he says, have sometimes paid as high as 100% a month for small loans."

GEORGIA.

The Georgia State Licensed Lenders Association held its regular meeting at a banquet at the Ansley Hotel, Friday, January 6th, and a big time was had by all. A number of important questions were discussed and especially was great stress laid upon the importance of an association to look after the welfare of our business in general and especially

to watch the workings of the State Legislature in Legislative matters effecting our business inasmuch as such unorganized businesses as the coal peddlers, restaurant keepers and cigar dealers (none of which had an association) were practically taxed out of business by the last legislature.

Those present were A. B. Madison, chairman; G. A. Wiley, vice-chairman; Ed. L. Wight, Secretary-treasurer; Geo. A Fife, Henry Sharpe, A. E. Worley, Louis Disner, H. A. Maffett, B. L. Lassiter, J. B. Otey, Robt. F. Davis and W. L. Adair.

A motion to hold regular meetings on the first Friday of the 3rd, 5th, 7th, 9th and 11th months of the year 1922 was carried.

Some literature from the National Chairman of the Finance Committee was distributed among those present and the information desired by the National Association was tabulated and mailed to the National Secretary.

VIRGINIA.

F. B. Richardson, Chief Examiner of Banks, will probably propose for the consideration of the Legislature, certain amendments contemplated to improve the existing small loan law of that state. These amendments will have the attention of the properly constituted committees of the state and national organizations in the near future.

According to Mr. Richardson, there is now more than a million dollars working in the small loan business in Virginia, with more than twenty-two thousand patrons, and the average loan is fifty dollars.

It is reported that in addition to the bill proposed by Mr. Richardson the Lynchburg Chamber of Commerce will have their local representative in the Legislature introduce a bill purporting to reduce the rate to 2½% per month.

WHO WANTS TO HELP?

From all corners of the country there has been a demand for copies of Arthur H. Ham's address before the Seventh Annual National Convention in Chicago, September 23, and in order to take care of this demand it has been necessary to order a large quantity of Mr. Ham's address in booklet form for further distribution. A number of members have requested large quantities for local distribution among the thinking people of their respective communities. Mr. Ham's address is regarded by all as the best presentation of the trend and progress of the movement to improve small loan conditions in this country, and cannot be challenged because of any selfish viewpoint. The address is by a man who impartially studied an important social condition in this country and points the way in which it was practically solved. How much better every community in this country would be if its thinking people would read this address!

Following the suggestion of several prominent members, we have agreed to get out a second edition of Mr. Ham's address in booklet form for local distribution, provided each member who orders a quantity of these booklets will help to pay to finance the edition. In large quantities, the books can be supplied at $30.00 per thousand and the price will include the printing of the inscription, "Compliments of ....." In the blank space, the name and address of the individual, firm or corporation may be inserted. In this connection, Colonel D. H. Pond, President of the Economy Savings and Loan Company, Cleveland, Ohio, writes:

"I am much pleased with Mr. Ham's article as well as the tasteful form in which it has been reproduced for circulation.

"I want to secure two thousand copies for circulation among those who are sympathetic to the small loan business, but are too busy with their own troubles to take the time to crystallize, solidify and set their decisions unalterably for the small loan business as now operated.

"This booklet gives the boiled down facts for fast readers and carries with it the element of fact undisputable by an author of unassailable standing and motive. In fact such an article as I have looked for for years.

"If it is necessary to print up the order I wish you would have imprinted on the front page in the space below 'Arthur H. Ham' (Compliments of The Economy Savings and Loan Company, 207 Blackstone Building, Cleveland, Ohio)."

The following is from Mr. H. T. Mattingly, Baltimore, Md.:

"Would it be possible for me to purchase about fifteen hundred pamphlets of 'The Trend and Progress of the Movement to Improve Small Loan Conditions,' by Arthur H. Ham, for publicity purposes in Virginia in the cities of Lynchburg and Roanoke. I do not believe the State or National Asociation has any members in these two cities other than our companies. Please advise at your convenience.."

O. W. Caspersen, Auditor of the Beneficial Loan Society, makes this suggestion:

"May we suggest that you canvass some of the members of the A. A., and ascertain the ones that will order from you, pay for and distribute where it will do the most good, copies of the Ham address?

"The Society is willing to help along with constructive, educational work of this sort, and would be willing to purchase, say 2,500 copies if a low price could be had, which we assume is the case if the other lenders will do the same thing.

"You doubtless have in mind twenty who will purchase more or less large quantities for distribution, and this will get a low price and multiply the publicity.

"In due course, when you have developed the matter, please let us hear from you."

This affords a wonderful opportunity for each member to do educational work in his community and also presents an opportunity for a member to receive favorable recognition from the best people of the community if these booklets are distributed with the member's compliments. Any members who are interested should communicate at once with the National Secretary, giving the quantity of booklets desired and accurate information as to the name and address of the distributor.

On the other hand, if any of our members desire to do as has been suggested by several prominent members, they may order through the National Secretary, as many copies of Mr. Ham's address which they may wish to distribute locally or otherwise, a reprint of this address published by the Russell Sage Foundation, New York City, at a price of $45.00 per thousand. In the event that a large quantity are ordered, this price may be somewhat reduced. The Russell Sage Foundation reprint will be similar to its other publications in size and general make-up; that is, it will be approximately 5½ by 8½ inches and the cover will be printed on the same kind of stock as is the inside of the pamphlet.

In this connection, F. W. Jenkins, Director, Publication Department, Russell Sage Foundation writes:

"We should be very glad to sell copies to your members at cost, which would be a little less than $0.04½ apiece. If you could let me know in advance how many copies you would be likely to want, it would influence us in the number of copies to have printed and this in turn would regulate the cost somewhat."

NATIONAL CHAIRMAN'S SPEAKING TOUR.

Upon the insistent invitations of several state associations, National Chairman, W. G. Wood, of Providence, R. I., has consented to address the meetings of the Ohio, Indiana, Illinois, and Iowa Associations the latter part of this and the early part of next month.

The popular National Chairman was one of the speakers at the sixth annual banquet of the Pennsylvania Association held at the Bellevue-Stratford Hotel on the evening of November 30 and made a very good impression.

That Mr. Wood has played an important part in the regeneration of the industrial loan business there can be no doubt. That he understands the past, present and future problems from a long, practical experience is equally true. For the members who cannot be present at the several meetings he will address, we will publish his speeches beginning with his contemplated talk to the Ohio Association which meets at the Chittenden Hotel, Columbus, January 26:

"It was first suggested that I say something about 'better Ideals and Methods of conducting our business and also something about showing our loyalty and enthusiasm in association work.' Later I was given to understand that my subject was to be 'Our National Association,' but as I have not the least notion of what is meant by Ideals in the Industrial Loan Business and as I can add nothing to the volume of good reasons already given for loyalty and enthusiastically supporting the National Association I am taking advantage of the author's privilege to ignore the title to the subject as soon as it has been adopted. I believe that is regular, isn't it? At least I have never been able to determine what I was going to get out of a book or receive from a play by studying the title. And incidentally the choice of titles is just as often unfortunate as fortunate. All of which simply means that it will not make any difference what you thought or expected I was going to say. The important thing is,

can I say or will I be fortunate enough to say, anything which will penetrate deep enough to stick, above the ears, and if I do, is there incentive enough in this body of men to keep it there, until something is done about it.

"Since the formation of the loan men into an organization, the declared purpose of which was to dignify and uplift the business of making small loans, there has been enough true, constructive, practical, hard headed and common sense suggestions made for accomplishing that purpose by men outside and inside of the organization, that if they had been digested and heeded, so that the thoughts were actually transferred to the hearers, every man in our organization would have gone forth with a totally new ambition, a greater and keener urge and an everlasting determination, to endeavor to get, so far above reproach for any lack in his own character and so far beyond attack, for anything in his methods, that sentiment, which is still against us, because of the tardiness of the individual to do just that, would have been with us before this.

"The ground has been covered thoroughly and completely many, many times, and has been handled from so many different angles that I doubt very much whether any man can come forward and tell us anything new about how to dignify and uplift our business; but we listen with our ears and not our minds, and we read with our eyes, and not our brains, consequently we are satisfied, just to admit the truth of what is told us and let it go at that. Reams have been written, volumes have been preached, until the very last word has been said and where are we? Has it stuck? In some places, yes? But what's the matter with the places where all that has been said and done has not stuck? And why is it that every single unit of our association is not influenced and affected, in exactly the same manner and with the same results.

"Your answer, will be that it's a difference in character, temperament, disposition and view-point, but I don't agree because all of these could be as different as day and night and we could still, all of us, be influenced and affected, by the same thing, in exactly the same manner, if we had a common incentive.

"It's the lack of desire for the same thing we desire and the need of ambition and urge that keeps some men from acquiring the vision, necessary to give us a common incentive and the result is that we have a conflict of opinion and a conflict of view-point about almost everything.

"A conflict of opinion and view-point is all right and a mighty fine thing in discussion and debate, but if the result is not a decision in which all minds have harmoniously met, then the decision is premature and any agreement resulting from it, is a flimsy thing and will require power to enforce its terms. So, what we must do is to determine whether our units have the incentive and the ambition and the urge to make the effort with us, before we do anything else or before we can think of gaining our objectives.

"It is not only not impossible to get public sentiment with us, but it is not thinkable, if the proper foundation is in the individual, that it will not be done.

"It is not a question of can it be done.

"It is how soon and the answer is when we individuals merit it.

"I am not willing to wait for the slow process of evolution to accomplish it, nor to rely upon our ability to educate all of our units, because with the kind of competition which is bound to come, since legislation, with its compulsory supervision and regulation, has made our business legal, I don't believe there will be time to wait for either evolution or education.

"Unless we are ready right now to go forward with men, methods and practices which are unimpeachable as to character, operation and application, we had better get ready with those fundamentals before we begin to flirt with the advanced and more high sounding titles of standards and ideals and ethics, which to most people are names and nothing more.

"And I want to say to you, gentlemen, that if we are not ready and don't get ready with the proper material in men, methods and practices, then it will be an entirely different set of men who will enjoy the final rewards of our struggle for better conditions.

"All the propaganda we can put out from now until doomsday, all the literature we can print, all that the friends we have made can say in our favor and all the laws and regulations that will ever be enacted will never get us the good will and sentiment of the public; but proper men, proper methods and proper practices will and nothing else ever will.

"I have no fault to find with propaganda and literature when the idea is confined strictly to spreading broadcast, information concerning the merit of the movement to better conditions, for the enlightenment of those people who have no contact with either the movement or the business itself, or have no source of information concerning it, or even for the benefit of those who insist upon living in a past age and don't keep up with the trend of things, but I have very little patience with the idea that we can ever get the social recognition we are after, by educating the public. The public has had so much of the wrong kind of education for so long that it is too skeptical for anything but proof and the only kind of proof that it will accept is conduct, and that, it can see and feel, and will determine, for itself. So instead of educating the public, we must turn the searchlight inward and find out if our policies and characters, our methods and practices square up with what the public thinks they ought to be and consequently expects of us. And that should not be a difficult task for I assume that we are all actuated by honorable motives and impulses and having the practicality which enables us to realize that profits come from satisfied and benefited customers, we should have no difficulty in sensing the fact that favorable sentiment will accrue for exactly the same reason: satisfaction with the benefits given by our service.

"It is not a question though, of putting service above profits but of giving service for profits and of improving it for additional profits, and having the right material to work with.

"So let's determine to-night—right now, to put our house in order so that we fellows who have made the fight together, can remain together to enjoy the full and complete recognition which will be accorded us when the job is finally complete.

"We all know and admit that there were plenty of reasons for finding fault with us and our business. Some of them still exist, but not half of what was said and thought about us was true and the greatest error that was ever made was the claim by economists and professional detractors that the business itself was fundamentally wrong and pernicious. That was a vicious statement and never carried any argument or attempt, so far as I know, to justify it.

"Our business is not fundamentally wrong, let alone fundamentally pernicious and never was. As a matter of fact very few businesses are fundamentally wrong. It's the introduction of wrong motives and wrong impulses which make them appear so, but that's chargeable to management and operation and not fundamentals.

"We can't be fundamentally wrong because the goods we trade in are full value. One hundred cents to every unit. But you and I can allow our transactions in these units to appear wrong if we neglect to keep our minds focused on our objecti es, because there are in those units either one hundred cents of satisfaction and benefit for the borrower if we will it so or one hundred cents of distrust and ill-will for ourselves and our methods if we don't.

"So with the foundation to start with, that our business is fundamentally right and is justified, as every other business on earth is justified, by the demand for its service, it is a simple matter to provide for keeping it right and equally easy to acquire the necessary ideals and adopt the proper methods, for conducting it, in such a manner, that it will be above reproach and beyond attack, because the whole question of ideals and proper or improper methods is involved in motives and impulses and depends entirely upon the mental attitude of the individual toward himself and his business and begins with owners, and why does it begin with owners? Because no business on earth deserves to survive unless it is fundamentally right, and no business which is fundamentally right deserves to prosper unless the owners, who enjoy its profits, are enough interested in it to lay down rules of conduct which will keep it right and after that, make it their business to know that these rules are, not only kept generally, but never violated.

"Human nature is too frail and too weak to expect it to observe all the dos and don'ts simply because you furnish a list of them and ordinary men will not observe them anyway, when it requires any effort, unless they have first accepted and adopted them, as principles of their own.

"To establish proper standards and ideals in our business and to make loan men better citizens, better Christians and better business men, the owner must do three things.

"1. Adopt policies and rules of conduct, that if and when adhered to will keep managers and men self respecting and high minded.

"2. Hire only men temperamentally

suited to carrying out these policies and living up to these rules of conduct and

"3. See that they do it in all cases.

"And I want to say to you owners that until you do this in its entirety, you will not get better men nor will there be any general improvement in the present individual, and in addition to that I want to say futher to you owner that:

"You can lay down all the policies and method you can think of, perfect them all you please, establish rules and regulations, restrictions and limitations, but unless the men you employ, feel as you do about them, your policies and methods will be forgotten and your rules and regulations ignored, unless you are always present to direct all forces. And that proves the necessity for the second essential, that unless you are present at all times, you must have men temperamentally suited to this business and its needs and requirements for if they are not, it won't do any good to make any effort to educate them because you cannot change a man's character and disposition and mental attitude toward his job by dangling a lot of dos and don'ts before him.

"If any of you ever want to get a quick estimate of any man and his business ethics, just see and talk with his men, find out what methods are pursued in conducting that business and the application of these methods in given cases and if you get the truth and all of the truth you need not care for any other man's opinion, because you have all the information necessary to correctly estimate the character of that particular man and his mental attitude toward his business.

"Now I think I can leave you owners with this thought and I hope it sticks.

"Your progress up the social ladder to full recognition will be advanced or retarded, and it will be swift or slow, according to your own mental attitude toward your business, which is your life, or you don't belong in it, and to the judgment and wisdom you use in selecting employees whose character and temperaments fit them for the work you wish done.

"We don't need many rules and regulations if the proper foundation is in the man.

"And now for the real people who conduct the loan business, the managers and potential managers.

"Each one of us owes a duty to the other so long as we are engaged in the pursuit of a common object and I can conceive of no greater service that I can render you as employees, than to prepare your path, or rather urge its preparation so that you can make a successful, profitable and pleasant journey to your eventual destination, and this I have attempted, by pointing out to your owners the absurdity of expecting you to ever reach that destination unless the path is straight and open, your heart and mind enthusiastically in the journey and your general fitness to undertake it, beyond all question of doubt, and there is no censure for you in what I have said, and no detraction.

"I maintain that to allow you to start under any other condition, or unless you can finish, is an injustice to you and a waste of time, money and energy for everybody.

"And here's another statement I wish to make without any reservation.

"The owner or manager, if he is a forward looking individual, who keeps a man in his employ, who is not temperamentally suited to the work, is wasting money and retarding his own progress as well as the progress of every other forward looking man in our business. And the manager or man who does not enjoy the work or who remains in this business unless he intends to make it his life work is a fool to fritter away the too little time in which he has to make good on his eventual job. While he is wasting it here, he could be getting service behind him somewhere else. And it applies to every man from owners down that if this is not to be his life work then he is not thinking or caring about what he is doing nor doing what he is thinking about, and that kind of man is hopeless material to work on. So it does not seem to me, gentlemen, that there is any prospect of making better loan men until you first make certain that all elements are harmoniously related and adapted which requires that the man be given a correct policy to work by in the first place, and that he has the character and the temperament to pursue and adhere to that policy and the capacity and ability to himself determine a correct application of it. When he is that kind of man he is adapted for his business and needs very little education or watching. All he needs is incentive and the chance of a future and if you supply the vision which will create the incentive his ideals will come automatically, because his motives and impulses and consequently his methods of conducting his business will be governed by a conscience, which needs no mind but its own to distinguish between what is right and what is wrong and what is just and fair and what is unjust and unfair."

CHANGING HIS TITLE.

By H. H. Burrell,

Of the State Loan Company, South Bend, Ind.

In the rapid evolution of the loan business which we are all witnessing from day to day, it occurs to me that we might adopt another reform by eliminating from our business the official title of "Manager," and substitute in its place something more appropriate, something more suitable and befitting the official in his relation to the business. To some, no doubt, this will seem radical and without reason. But let us see.

A survey of most financial institutions in this country will reveal the fact that the official title of "Manager," as applied to the chief employee in charge, is not used at all and does not, in any sense, belong in any institution in which the sole stock in trade is money. In all banks, trust companies, building and loan associations, etc., the title of "Manager" as applied to the chief official in charge is unknown. True, in the bonding, insurance and safety deposit departments (which are usually in the basement or off to one side) the official in charge is known as manager. In this case it fits nicely and is proper. But change the situation a little, go into that part of the institution where money is loaned and collected, notes and collateral handled, and the official designated as "Manager" is not there. He is unknown by that title. What is his official title? He is the cashier, or the assistant cashier, secretary or assistant secretary, president or vice-president. Many financial institutions have half a dozen assistant cashiers, and equally as many who are known as assistant secretary, or vice-president. All correspondence, legal papers, checks, etc., signed with such official title carry more power and prestige, and in appearance looks better because it is more appropriate, than if signed as "Manager"—which is, in fact, the wrong word.

The above is just as applicable to our business as it is to any similar business engaged in making loans and collecting money, whether it be chattel, bank or real estate loans. Technically and practically speaking any one of the above titles is more appropriate for the chief employe in a loan company than that of "Manager."

This change is not suggested because I think the title of "Manager is undignified. Far from it. It is every bit as dignified and as widely used as "Cashier," "Secretary" or "President." In fact more widely used because it is used to designate the chief official in a greater number of diversified lines of business than any other title in the commercial world. The one big exception is that particular business which deals in money only—and do we not come under that exception?

Managers are numerous. For example; all retail stores have managers; department stores have several of them; wholesale houses have them; hotels and restaurants have them; theatres have them; base ball clubs have them; the out-of-date livery stable had a "Manager"; and now the local garage has one; and so has a circus, etc., etc. But we are like none of these. In Wall Street parlance these would be considered as "Industrials"—if considered at all. We belong in the field of finance. Possibly not as big and as powerful as some of the modern banks and brokers, but we are in the field of finance just the same, and are rapidly being so considered. And officials in the world of finance are not called "Managers." This fact alone should be sufficient reason for eliminating the word.

Go into that department of any of the above named places where nothing but money is handled and whom do you find there. You will find either a cashier, a secretary, or a treasurer in charge—but no "Manager."

Webster defines a manager as "one who manages; a conductor or director." The same authority defines a cashier as "one in charge of the payments and receipts of a bank or mercantile company." The Encyclopædia Brittanica defines a cashier as "one who has charge of the payment or receiving of money in a business house." From these standard authorities it is hard to see where the official title of "Manager" has any relation to the loan business.

Whether the office is a syndicate office, a local corporation, a partnership, or a one-man-office, the chief clerk in charge could be known by any one of the following titles—cashier, secretary, treasurer, or president, with the next in line for promotion as assistant, or vice. These four titles can be passed around to fit all conditions and duties. Perhaps

the most practical and all-round title for one in charge of the average Loan company would be that of cashier, or secretary, or treasurer, because in most financial institutions in which money is loaned the cashier, or secretary, as the case may be, is the one who usually passes on most of the security offered. He is the one whose business it is to see that collections are made, notes paid or renewed, also that the business in general is kept moving right along. The present "Manager" in a loan company now serves exactly in the same capacity, but his official title is a misfit. Both officers are alike responsible to the owner or board of directors.

This change in the managers official title, if adopted would not likely increase the volume of business all at once. His duties will remain the same. It would not change a slow customer into a prompt one. Do not expect this. But I believe that the present official, shorn of his age-old and misfit title and crowned with a new and more appropriate one would function just a little better. To be referred to as the cashier, or secretary, for instance, will, I believe, make him feel a little better toward his job. It is something new, and fits in with the business much better than "Manager," notwithstanding the fact that it will not, as said before, change his duties any. Besides if statistics show that it is not customary nor proper to refer to the chief official in a financial institution as "Manager," why use it? Why be the odd duckling? Lord knows we have been "odd" long enough.

Perhaps it would be some time before our patrons and the public in general would notice the change. And it might seem a little awkward at first, as all new things do, but this would matter very little and cause no confusion at all. But our fellow men in other lines—the banker, merchant, manufacturer, editor and publisher, professional men, state, city and county officials—would quickly see, because of their position in the business world, that another forward step had been taken in the regeneration (I use this word instead of "uplifting") of the loan business.

This change would require no expense whatever more than the price of a rubber stamp or two, and possibly a change in printing. If universally adopted I believe it would help the business in more ways than one. For one thing it would mean the dropping from further use of an old and misfitting title adopted back in our illegal and illegitimate days for something more befitting the business as it is conducted and looked upon to-day. It would be just another one of those little changes in the conduct of our business which we have discovered in the past few years to be of wonderful help in strengthening public opinion. This within itself is another good reason for making the change.

As this question should interest the loan companies of every state in the Union instead of any particular one, I pass it on to the readers of THE INDUSTRIAL LENDERS NEWS for their consideration.

Similar articles are invited for publication.—THE EDITOR.

ILLINOIS.

Secretary Baker sent out this call January 18, for the meeting of the Illinois Association January 27:

"The next quarterly meeting of our Illinois State Association will be called to order at four o'clock, Friday afternoon, January 27th, at the Morrison Hotel, Chicago, and a business session will be carried through to six o'clock.

"At 6:30 dinner will be served in an adjoining room, after which we will have an address by Mr. W. G. Wood, of Providence, R. I., newly elected Chairman of the National Association. Mr. Wood is making a tour of the Central West States, attending a number of state meetings and in addition to giving us his impressions and observations, he has a special message to convey to the members of our association.

"Mr. Wood has long since established his reputation as an orator and is known throughout the country as being a keen student of the Industrial Loan business; his opinion being sought on all important matters. To hear Mr. Wood's address delivered in his characteristic fashion is considered by those who know him best, to be a privilege and no one in the business can afford overlooking such an opportunity.

"Both for the benefit of ourselves and in honor of Mr. Wood's presence, it is very sincerely desired that a big attendance be registered.

"The object of two sessions (afternoon and evening) is to give ample time for deliberate discussion of practical subjects and Mr. Weinschenk will give us a talk upon "Using discretion in making collections."

"Lady visitors will be welcome at the dinner and evening session and we hope to see many of them present.

"Kindly signify upon the enclosed return postal card the number to attend from your office and greatly oblige."

INDIANA.

On January 16, H. E. Arnett, of the Legal Loan Co., Marion, sent out this call for the meeting of the Indiana Association meeting to be held in Marion, February 3:

"The first 'Manager's Convention' of our Indiana Association will be held in Marion, Indiana, on Friday, February 3rd. The meeting will convene promptly at 10:00 a. m. and adjourn about 5:00 o'clock.

"We are fortunate in having this meeting at a time Mr. W. G. Wood, our National Chairman, can be present to give us a timely address. He will just have been to the annual convention of the Ohio, Illinois and Iowa Associations and will give us the benefit of his attendance at those meetings. His address alone will well pay your attendance.

"In a way, it is intended that this meeting be a regular college course for loan managers, all crammed into one day. All subjects will be pertinent to the actual operation of loan offices, and every paper and address will be given by a loan manager who is daily engaged in our business. You will get more new ideas and practical information from this meeting in one day than you will by staying in your own office for a whole year.

"You are requested to send in *at once* any questions or subjects pertaining to the loan business you want answered or discussed. These will be assigned other members to answer and then everyone will have a chance to express their views. This will be the most interesting part of the meeting if you will co-operate by both asking questions and taking part in the discussions.

"In the very near future you will receive a complete program, but mark your calendar *now*—so you will not make any other arrangements for February 3rd. We are depending upon you to assist in making this the most instructive association meeting that has ever been held."

Under the caption, "Loan Men will Meet," the *Marion Leader-Tribune* publishes this interesting article:

The first annual convention of the managers of the licensed loan companies of Indiana will be held in Marion on Friday, February 3. A morning and afternoon session will be held at the Elks club rooms. It is expected that about one hundred members will attend the convention. The complete program was announced yesterday.

W. G. Wood of Providence, Rhode Island, national chairman, will be present at the convention, who will give a talk on the subject of "The Industrial Loan Business." He will have just Concluded attending the annual conventions of the Ohio, Illinois and Iowa associations and will give the members of the Indiana association the benefit of his experiences at these meetings. It is also probable that a number of prominent loan men from other states will be present at the convention.

Home of President.

As Marion is the home of the state chairman of the Indiana Licensed Lenders' association, Robert J. Spencer, Jr., and is also the headquarters from which branch offices are located in sixteen cities in the state, it has been considered appropriate to hold the first convention of the managers in this city. District and state conventions of the officers of the companies have been held in the past and it is believed that much good will result from holding state meetings of the managers.

The following program has been arranged for the convention:

Morning session, 10 o'clock. Call to order by state chairman, Robert J. Spencer, Jr.,

"How We Advertise Our Office"—H. H. Burrell, manager State Loan Co., South Bend.

"How We Are Raising Our Community Standing" —Francis L. Thompson, Manager Capitol Loan Co., Shelbyville.

"How Our Association Memberships Assist Skip Collections"—George Farrington, manager State Loan Co., Indianapolis.

"How We Are Trying To Decrease Our Losses"—G. M. Leapley, manager Miami Loan Co., Connersville.

"How We Will Look After Collections In 1922"—D. R. Reynolds, manager Terre Haute Loan Co., Terre Haute.

"How To Keep Our Customers"—D. C. Pence, manager Welfare Loan society, Marion.

Luncheon, Spencer Hotel, 12:13 p. m. Address of welcome by Mayor Dan-

iels and representatives of Kiwanis, Rotary and Lions clubs.

Afternoon session, two o'clock.

Address—"The Industrial Loan Business"—W. G. Wood, national chairman, Providence, R. I.

Questions and answers.

Practical ideas on office management. ment.

Your Office, by the loan men of Marion.

General discussion.

Unfinished business.

Adjournment.

The loan business has grown to be one of the largest businesses in Indiana with an investment of almost $10,000,000. Citizens of Marion and Grount County are said to have invested in the business nearly $1,000,000.

IOWA.

We are pleased to publish the complete program of the Semi-Annual Convention of the Iowa Association to be held at Hotel Martin, Sioux City, January 31 and February 1:

Tuesday, January 31, 1922; 9:00 to 9:30 a. m., Invitation extended to inspect office of Provident Loan Association; 10:00 a. m., Address of Welcome—F. L. Hutchins, President Chamber of Commerce. "Banks and Small Loans"—John J. Large, President First National Bank. Report of Secretary-Treasurer—A. L. Whitmer, Sioux City. "Co-operating with Local, State and National Organizations"—B. E. Henderson, Chicago, representing Loyal Loan Co., Des Moines. To select his own subject—W. G. Wood, Providence, R. I., Chairman Industrial Lenders Association.

Tuesday, 12 m., January 31. Luncheon—Tendered by the Mutual Loan Co., and Reliable Credit Co., Sioux City, Iowa.

Tuesday, 2 p. m., January 31. "What Form of Advertising Brings the Best Results?"—L. L. Evans, Council Bluffs. "Can Loans of Twenty-five Dollars be Made at a Profit?"—E. V. Fullmer, Davenport. "How Does Unemployment Effect the Loan Business?"—P. B. Atchinson, Davenport. "How can a Company with Small Capital Operate Profitably?"—H. L. Leidig, Burlington. "How Have Conditions in Making Small Loans Improved Since July 4?"—W. L. Glessner, Cedar Rapids.

Program: "How to Properly Close a Loan"—Thos. H. Meichley, Marshalltown. "Necessity of State Organizations"—Ellis I. Levitt, Des Moines. "Why Should We Make Small Loans?"—Wm. De Beaulieu, Des Moines. "What Can Be Gained from Attending a State Convention?"—T. J. Harrison, Waterloo. "What Terms of Re-Payment Are the Most Practical?"—J. L. Levitt, Sioux City. "What Steps Should Be Taken to Educate Licensees to Join This Association?"—H. A. Hulling, Des Moines. "How the Association Can Best Co-operate With the Banking Department"—W. O. Reed, Deputy Supt. State Banking Department.

Tuesday, 6:30 p. m. January 31. Dinner—Ladies invited; Tendered by Provident Loan Association, Sioux City, Iowa. Toastmaster, T. J. Harrison, Waterloo. Music. Speakers—Hon. A. W. McFarlane, Speaker of the House of Representatives; Rev. J. R. Perkins, Author and Statesman of national prominence, Council Bluffs.

Wednesday, 10:00 a. m., February 1, 1922. Submitting a Revised Constitution and By-Laws; Increasing Our Executive Committee; Taking up the Matter of sending a representative to National Convention and other items of importance.

OHIO.

The mid-winter convention of the Ohio Loan Association will be held at the Chittenden Hotel, Columbus, January 26 and will include the following program:

Thursday, January 26, 1922; 10:00 a. m., business session; 12:00 m., recess; 1:30 p. m., afternoon session. Subjects to be discussed—*Good will and Service.*

GOOD WILL.—(a) How can the employer obtain and hold the good will of the employee?—C. C. Woodley, Toledo, Ohio. (b) How can the employee obtain and hold the good will of the employer?—T. H. Schoonover, Lima, Ohio. (c) How to obtain and hold the good will of the State Department—Peter Albiets, Columbus, Ohio. (d) How to obtain and hold the good will of our patrons—Chas. F. Mitchell, Dayton, Ohio. (e) The value of public good will or opinion as an asset in our business—Col. D. H. Pond, Cleveland, Ohio. Building your Business on Good Will—G. W. Farrington, Indianapolis, Indiana.

SERVICE.—(a) Describe an Ideal Manager—Chas. B. Ogle, Columbus, Ohio. (b) Describe an Ideal Office Employee—T. P. Carroll, Akron, Ohio. (c) Describe an Ideal Office—E. E. Beyer, Cincinnati, Ohio. (d) Describe an Ideal Outside Man—M. L. Anderson, Mansfield, Ohio. (e) Describe an Ideal Board of Directors—J. N. Woodruff, Cleveland, Ohio.

6:00 p. m. banquet. Toastmaster—J. Fred Anderson, Springfield, Ohio.

Speakers.—W. G. Wood, Chairman of the American Industrial Lenders Association, Providence, R. I.; Hon. Timothy S. Hogan, Ex-Attorney General, State of Ohio, Columbus, Ohio; Hon. Henry A. Williams, Ex-Chairman Columbus Chamber of Commerce, and Ex-National Bank Examiner, Pittsburgh District, Columbus, Ohio; Hon. L. D. Johnston, Attorney, Capital Loan Co., Columbus Ohio.

Special Guests.—Hon. W. H. Phipps, Department of Commerce, State of Ohio, Columbus, Ohio; A. L. Stewart, Chief of Division of Securities, State of Ohio, Columbus, Ohio; Peter Albiets, Chief Inspector of Loans, State of Ohio, Columbus, Ohio; Maj. Walter Collins, Volunteers of America, Columbus, Ohio; James Haig, Haig's Mission, Columbus, Ohio.

NEW MEMBERS.

Hamilton G. DeWeese, whenever he has time between his field legislative duties to call on any non-members he generally lands them as members for both state and national associations. Here are some that he has added lately to all of which we extend a hearty welcome:

American Security Co., Shelbyville, Ind.
Bluffs Credit Co., Council Bluffs, Ia.
Iowa Loan Co., Council Bluffs, Ia.
L. L. Evans & Co., Council Bluffs, Ia.
Peoples Loan Co., Davenport, Ia.
Capital City Co., Des Moines, Ia.
Home Credit Co., Des Moines, Ia.
A. A. McBride, Des Moines, Ia.
Rex Credit Co., Dubuque, Ia.
Ft. Madison Security Co., Ft. Madison, Ia.
Thos. H. Meickley, Marshalltown, Ia.
Guarantee Loan Co., Muscatine, Ia.
Mutual Loan Co., Sioux City, Ia.
National Loan Co., Sioux City, Ia.
Reliable Credit Co., Sioux City, Ia.
C. E. Frederick, Waterloo, Ia.
Beneficial Loan Society, Boston, Mass.
Elson M. Blunt, Boston, Mass.
Boston Note Brokerage Co., Boston, Mass.
S. R. Briggs Co., Boston, Mass.
H. B. Budding, Boston, Mass.
L. A. Charlton, Boston, Mass.
Childs & Co., Boston, Mass.
Columbia Loan Co., Boston, Mass.
Hub Loan Co., Boston, Mass.
Geo. A. Ingalls, Boston, Mass.
Kilby Investment Co., Boston, Mass.
Mrs. A. L. Parkman, Brockton, Mass.
National Loan Co., Holyoke, Mass.
Essex Loan Co., Lynn, Mass.
Peoples Loan Co., Lynn, Mass.
T. J. Ready Co., Lynn, Mass.
Naumkeag Loan Co., Salem, Mass.
Puritan Loan Co., Salem, Mass.
National Loan Co., Springfield, Mass.
New Method Loan Co., Springfield, Mass.
Springfield Security Co., Springfield, Mass.
A. E. Lyons & Co., Worcester, Mass.
Clarke Co., Collateral Loan Co., Springfield, Ohio.
Hart Loan Society, Philadelphia, Pa.
Home Loan Co., Parkersburg, W. Va.
State Loan Co., Wheeling, W. Va.

TELL US NOW.

If with pleasure you are viewing
Any work the Association's doing,
If you like us—if you're with us—
Tell us now.

Don't withhold your approbation,
Chuck the dismal, dark opinion,
Let us know your real opinion—
Tell us now.

Have we carried out your wishes
For a bigger, greater association?
If we've done it—if we haven't—
Tell us now.

Don't be kicking at the workers,
Or waste time among the shirkers,
But be honest with your verdict—
Tell us now.

Will you lend your hand in friendship,
And your efforts to our success?
If you like us—if you're with us—
Tell us now.

Don't stand back and say you're wise,
Please don't simply criticise,
But come on and say you're loyal—
Tell us now.

WANTED.

An experienced chattel loan manager by growing corporation; excellent opportunity for advancement. Address 705 Penn Square Building, Philadelphia, Pa.

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CONNECTICUT
- National Equitable Investment Co., Bridgeport
- Beneficial Loan Society, Bridgeport
- National Equitable Investment Co., Hartford
- Mutual Industrial Loan Co., Hartford
- National Equitable Investment Co., New Haven
- Beneficial Loan Society, New Haven
- Beneficial Loan Society, Waterbury
- National Equitable Investment Co., Waterbury

GEORGIA
- Surety Loan Co., Atlanta
- The Citizens' Loan Co., Atlanta
- Beneficial Loan Society, Atlanta
- Southern Security Co., Atlanta
- Guaranty Loan Co., Savannah

ILLINOIS
- State Loan Co., Aurora
- National Loan Co., Bloomington
- Rockford Loan Co., Belvidere
- National Loan Co., Canton

Chicago
- American Loan Co., 14 W. Washington St.
- Amercian Loan Co., 736 E. 63rd St.
- Peoples Loan Society
- Chicago Household Loan Co.
- Guarantee Loan Co.
- Arthur Greene
- Baker & Co.
- C. C. Erd
- Citizens Loan Assn., 6240 Cottage Grove Ave.
- Citizens Loan Assn., 724 W. 63rd St.
- Citizens Loan Assn., 5 N. LaSalle St.
- A. A. Erd
- Carl M. White
- Quick Service Loan Co.
- Union Investment Co.
- Roseland Loan Co.
- Commercial Loan & Guaranty Co.
- Local Loan Co.
- State Loan Assn.
- Imperial Credit Co.
- Illinois Investment Co.
- A. H. Lenz & Co.
- Mason Financial Co.
- Reliance Loan Co.
- Beneficial Loan Society
- Harry Palmer
- Chicago Finance Co.
- Chicago Discount Co.
- W. P. Woll
- Chicago Mortgage Loan Co.
- Greer & Co.
- Fidelity Loan Co., 201 W. 63rd St.
- Fidelity Loan Co., 105 W. Monroe St.
- Welfare Loan Society, Centralia
- Fidelity Loan Co., Danville
- Commercial Loan Co., Danville
- Fidelity Loan Co., Decatur
- State Loan Agency, E. St. Louis
- E. St. Louis Loan Co., E. St. Louis
- State Loan Co., Elgin
- Fidelity Loan Co., Freeport
- State Loan Co., Galesburg
- John B. Wollbridge, Hoopeston
- Joliet Loan Co., Joilet
- State Loan Co., Joliet
- National Loan Co., Lincoln
- Tri-City Loan Co., Moline
- State Loan Co., Peoria
- Paris Loan Co., Paris
- Peoria Loan Co., Peoria
- National Loan Co., Peoria
- Fidelity Loan Co., Peoria
- State Loan Co., Quincy
- Rockford Loan Co., Rockford
- John F. Walsh, Rockford
- Fidelity Loan Co., Rockford
- Fidelity Loan Co., Rock Island
- William F. Charters, Springfield
- Fidelity Loan Co., Springfield
- H. M. Griswold, Springfield

INDIANA
- Welfare Loan Society of Anderson, Anderson
- Indiana Loan Co., Anderson
- Brazil Loan Co., Brazil
- Fayette Chattel Loan Co., Connersville
- William A. Swank, Crawfordsville
- Welfare Loan Society of Elkhart, Elkhart
- Provident Loan Assn., Elkhart
- American Loan Co., Evansville
- Welfare Loan Society of Ft. Wayne, Ft. Wayne
- Peoples Collateral Loan Co., Ft. Wayne
- Ft. Wayne Loan Co., Ft. Wayne
- Indiana Loan Co., Ft. Wayne
- Capitol Loan Co., Frankfort
- Kokomo Central Loan Co., Frankfort
- Security Loan Co., Goshen
- Security Collateral Loan Co., Greensburg
- Provident Loan Assn., Hammond
- Harry P. Grimmer, Hammond

Indianapolis
- American Loan Co.
- Indiana Collateral Loan Co.
- Security Mortgage Loan Co.
- Welfare Loan Society
- Wm. R. Teel
- Model Loan Co.
- State Loan Co.
- The Indianapolis Finance Co.
- Intestate Collateral Loan Co.
- Beneficial Loan Society
- Fidelity Loan Co.
- Capitol Loan Co.
- Kokomo Central Loan Co., Kokomo
- Legal Loan Co., Kokomo
- Welfare Loan Society of Kokomo, Kokomo
- Welfare Loan Society, Lafayette
- Legal Loan Co., Lafayette
- Welfare Loan Society of Logansport, Logansport
- Industrial Loan Co., Logansport
- Green County Loan Co., Linton
- Legal Loan Co., Logansport
- Jefferson Loan Co., Madison
- Willis Dean Loan Co., Marion
- Legal Loan Co., Marion
- Clupper Loan Co., Marion
- Welfare Loan Society of Marion, Marion
- Welfare Loan Society, Michigan City
- Provident Loan Company, Michigan City
- Welfare Loan Society of Muncie, Muncie
- Miami Loan Co., Peru
- Milligan Finance Co., Portland
- Hawkins Mortgage Co., Portland
- Welfare Loan Society of Richmond, Richmond
- Richmond Loan Co., Richmond
- Walter E. Smith, Rushville
- Fidelity Loan Co., Sullivan
- Capitol Loan Co., Shelbyville
- State Loan Co., South Bend
- Welfare Loan Society, South Bend
- Indiana Finance Co., South Bend
- Provident Loan Assn., South Bend
- Security Loan Co., South Bend
- Security Loan Co., Terre Haute
- Indiana Loan Co., Terre Haute
- Welfare Loan Society, Terre Haute
- Terre Haute Loan Co., Terre Haute
- Welfare Loan Society, Vincennes

IOWA
- Iowa Loan Co., Burlington
- Iowa Loan Co., Council Bluffs
- Tri-City Loan Co., Clinton
- Cedar Rapids Loan Co., Cedar Rapids
- Des Moines Loan Co., Des Moines
- M. Aliber Co., Des Moines
- Loyal Loan Co., Des Moines
- State Loan Co., Des Moines
- Capital Loan Co., Des Moines
- Thos. H. Meickley, Marshalltown
- Provident Loan Assn., Sioux City
- State Loan Co., Waterlo

KENTUCKY
- Kenton Loan Co., Covington

MARYLAND

Baltimore
- Community Finance Service
- Chesapeake Loan Co.
- Peoples Loan Society
- Household Loan Co.
- Walter L. Westphal
- Surety Guarantee Co.
- Beneficial Loan Society
- American Loan Co.
- Personal Loan Society
- Commercial Guarantee Co.
- Globe Loan Co.
- Maryland Chattel Loan Assn.
- National Equitable Investment Co.
- United Finance & Security Corp.
- National Equitable Investment Co., Cumberland
- Mutual Loan Co., Cumberland
- United Reality Investment Co., Hagerstown

MICHIGAN
- Security Loan Co., Benton Harbor
- Beneficial Loan Society, Detroit
- Intestate Collateral Loan Co., Detroit
- Detroit Mortgage Loan Co., Detroit
- State Loan Co., Detroit
- Chattel Loan Co., Grand Rapids
- Grand Rapids Loan Co., Grand Rapids
- H. H. Jordan, Grand Rapids
- Provident Loan Society, Detroit
- Adelbert Mosher, Lansing
- Muskegon Loan Co., Muskegon
- Lansing Loan Co., Lansing

NEW JERSEY
- Community Finance Service, Camden
- Beneficial Loan Society, Elizabeth
- Community Finance Society, Jersey City
- United Finance & Security Corp., Jersey City
- Beneficial Loan Society, Jersey City
- Peoples Finance Company, Jersey City
- Community Finance Service, Newark
- Equitable Industrial Loan Society, Newark
- Peoples Finance Co., Newark
- Beneficial Loan Society, Newark
- J. Chauncy Van Horn, Trenton

NEW YORK
- Chattel Loan Society, New York
- Beneficial Loan Society, New York
- National Equitable Investment Co., New York

OHIO
- Akron Finance Co., Akron
- Ohio Loan Co., Akron
- Northeastern Finance Co., Ashtabula
- Ohio Loan Co., Cambridge
- Beneficial Loan Society, Cincinnati
- Welfare Loan Co., Cincinnati
- Cincinnati Collateral Loan Co., Cincinnati
- Industrial Loan Co., Columbus
- Ohio Finance Co., Columbus
- Capitol Loan Co., Columbus
- Beneficial Loan Society, Columbus
- Ohio Loan Co., Coschocton
- C. G. Liggett, Cleveland
- Beneficial Loan Society, Cleveland
- Cleveland Household Loan Co., Cleveland
- Citizens Finance Co., Cleveland
- Economy Bldg. & Loan Co., Cleveland
- Welfare Loan Co., Dayton
- Lima Loan Co., Findlay
- City Loan & Savings Co., Lima
- Lima Loan Co., Lima
- Shawnee Finance Co., Lima
- Capitol Loan Co., Lancaster
- New York Finance Co., Newark
- Ohio Loan Co., Newark
- Citizens Loan & Credit Co., Piqua
- Industrial Loan Co., Portsmouth
- Springfield Loan Co., Springfield
- Clark County Collateral Loan Co., Springfield
- Springfield Collateral Loan Co., Springfield
- Urbana Loan Co., Urbana
- Capitol Loan Co., Washington C. H.
- Warren Loan Co., Warren
- Provident Loan Co., Warren
- Youngstown Loan Co., Youngstown
- Ohio Loan Co., Zanesville
- Home Chattel Loan Co., Zanesville

PENNSYLVANIA
- American Loan Co., Allentown
- Penn Loan Co., Altoona
- Union Loan Co., Beaver Falls
- National Equitable Investment Co., Erie
- Randolph H. Hubbell, Erie
- Beneficial Loan Society, Erie
- Union Loan Co., Greensburg
- Employees Loan Society, Harrisburg
- Penn Loan Co., Inc., Johnstown
- Mutual Loan Co., Lancaster
- Welfare Loan Society, Lancaster
- Lancaster Loan Co., Lancaster
- Citizens Loan Co., Norristown
- Union Loan Co., Oil City

Philadelphia
- National Loan Co.
- American Loan Co., 5145 Chestnut
- American Loan Co., 1953 W. Front St.
- American Loan Co., 5613 Germantown Ave.
- American Loan Co., 1208 Chestnut St.
- Beneficial Loan Society
- Guarantee Loan Co., 1005 Market St.
- Guarantee Loan Co., 52nd and Market St.
- Community Finance Service, Inc.
- Household Loan Co.
- Guarantee Loan Co., 2700 Germantown Ave.
- Guarantee Loan Co., 23rd and Ridge Ave.
- Findlay M. Taylor, Jr.
- Security Loan Co., 3300 Kensington Ave.
- Security Loan Co., 1114 Chestnut St.
- Security Loan Company, 2 W. Chelton Ave.
- National Equitable Investment Co.
- Provident Loan Co.
- Beneficial Loan Society
- Logan Investment Society
- Intestate Collateral Loan Co., Pittsburgh
- C. H. Harris, Pittsburgh
- Citizens Loan Co., Pittsburgh
- Guarantee Loan Co., Pittsburgh
- Beneficial Loan Society, Pittsburgh
- Community Finance Service, Inc., Pittsburgh
- Peoples Loan Co., Pittsburgh
- United Reality and Inv. Co., Pittsburgh
- Household Loan Co., Pittsburgh
- Guarantee Loan Co., Reading
- Household Loan Co., Reading
- Community Finance Service, Inc., Reading
- American Loan Co., Reading
- Citizens Loan Co., Scranton
- Guarantee Loan Co., Scranton
- American Loan Co., Scranton
- Provident Loan Co., Sharon
- Community Finance Service, Inc., Scranton
- Guarantee Loan Co., Wilkes-Barre
- American Loan Co., Wilkes-Barre

VIRGINIA
- Beneficial Loan Society, Norfolk
- National Equitable Inv. Co., Norfolk
- Citizens Loan Society, Norfolk
- Beneficial Loan Society, Richmond
- Citizens Loan Society, Richmond
- Credit Finance Co., Richmond

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APR 8 1922

INDUSTRIAL LENDERS NEWS

Official Organ American Industrial Lenders Association Which Is a Member of the Chamber of Commerce of the U. S. A.

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OHIO.

In response to our request for an account of the midwinter meeting of the Ohio Association, Chairman Dyer writes:—"The midwinter convention of The Ohio Loan Association held Jan. 26th, was a great success from every point of view. The papers read and the talks made by the parties on the program under the head of Good Will and Service were very interesting and instructive. I am herewith enclosing the papers read which appear in the form they were presented at the meeting. I have not undertaken to dress up any of these papers for the reason that I feel they would be best understood in the manner they were prepared. They reflect in every instance the personality of the author of the paper. The thoughts expressed are couched in the language of the party talking to others interested in the same line. If you regard these papers as worthy to be printed in the NEWS, I would reproduce them as nearly as possible in their present form because it is not necessary to attempt to make literary experts out of the authors of these papers.

"The Banquet was the best Small Loan gathering I have ever attended. Our distinguished Chairman, W. G. Wood of Providence, R. I., was at his best in the preparation and delivery of his paper, a copy of which I am herewith enclosing which in my opinion, by all means, should appear in the NEWS. The other speakers were in a happy mood and contributed immensely to the pleasure of the occasion. The speeches delivered by Hon. Timothy S. Hogan, and Hon. Henry A. Williams, in my opinion, will make very interesting reading in some issue of the NEWS. We had many distinguished guests present, among whom were Hon. W. H. Phipps of the Department of Commerce, under which division the small loan companies are supervised. Although, not on the regular program, he made a very happy response on his unexpected introduction by the toastmaster. Several other state officials as well as judges, bankers and many prominent citizens of Columbus accepted our invitation to be present as guests and they all appeared to enjoy themselves and took occasion to say that by reason of their attendance at this banquet they procured a new vision of the small loan business as conducted in Ohio."

The reason we did not receive a write-up of this meeting from Secretary Anderson is best explained by his own note in which he says:—"I am indeed sorry that I can not give you an account of the midwinter meeting at Columbus on the 26th inst, as illness prevented me from attending. I am told, however, that it was ten strike.

"I just had a communication from Miss Smith, Mr. Dyer's secretary, concerning some Association matters, and on the bottom of her letter she says: "Here's a good item for the LENDERS NEWS: J. H. Dyer invited Wood out to lunch with him, but when it came time to pay, Mr. Dyer didn't have any money and had to borrow enough to pay for lunch."

"I presume he borrowed it from our congenial President Wood. You might make a good joke out of this for the NEWS, and make it like all good stories, let it grow as it passes."

Addressing this meeting Hon. Timothy S. Hogan, Ex-Attorney General of Ohio said:—"Gentlemen, I want to assure you that I appreciate the distinct honor conferred upon me by the officers of the Ohio Loan Association in giving me the privilege of talking to you for a short while this evening. My good friend Joe Dyer, who is always right, except perhaps in this one instance, gave me an invitation to come here and enjoy the priveleges of a splendid dinner and the entertainment incidental, and the association with the members of this splendid body, and so I am here.

"I want to thank him for his kindly reference to my two terms as Attorney General. I can say a word or two about that, because I am not a candidate for any office and never expect to be, and ought not to want to be, when I can have such association as I have here to-night. I appreciate that his compliment, even though undeserved in action, was deserved as to intention upon my part to discharge my duties in that office as worthily as I knew how.

"I was impressed, even as you were, I am sure, with this most excellent address of Mr. Wood from Providence, Rhode Island. It was a lecture on philosophy, and all who came within its spell, I am sure will leave here to-night benefited.

"When Mr. Dyer asked me to come and talk awhile, I wondered what I should say. We lawyers are called upon to address associations of various kinds and descriptions, always recognizing the fact that the members of the Association know so much more about its workings and its needs and its benefits, than we do, that we wonder why we are called upon to talk at all, unless it be the business of lawyers, I felt a little "light." I was reminded of an experience I heard of a few years ago, of a gentleman who was at a meeting down in Kentucky. One of the leading citizens of the town died, and of course on funeral day it was a holiday; all the stores and business houses and factories were closed, and of course the church was crowded from front to rear. After all the congregation were seated in so far as there was room enough, and the good Methodist preacher announced his text, an old character came in. In the old days every town in Kentucky had its character, and they were characteristic characters. This fellow got drunk whenever he had a chance, and he had more chances then than he has now—at least Wayne Wheeler and Jim White would say so (whether we all subscribe to that doctrine or not I don't know)—and when the preacher was about to announce his text, this fellow walked in and saw no place to sit down; as deferentially as he knew how he sat upon the coffin in the aisle. The funeral director requested him to come and take a seat, and the old character, with the same deference, took the seat and sat down, more or less in slumbering fashion, and the pastor announced his text, saying, "Brethren, if a man die, shall he live again?" And for effect he paused, and then he said, changing his voice, "if a man die, shall he live again?" Another pause; and in a solemn whisper, "if a man die, shall he live again?" The old character straightened himself up and said to the preacher, "Brother, brother, this is the third time you asked me that question, and damned if I know."

"Mr. Wood spoke of the work of the Association, and of its purposes, and it occurred to me while he was talking that the same thing applies to you as applied in the days of the war. We all thought we knew, before the war, what the word "objective" meant, and we never had it come home to us as we did during the war. That word to us acquired a real meaning, and it has the same meaning to you. It has the same meaning to the medical profession; it has the same meaning to the legal profession, and it has the same meaning to the ministers of the gospel. We must have an objective; every organization must have an objective; every organization must have a purpose, and every objective to be attained and every purpose to be advanced must have a great organization behind it. The reason why the churches are increasing in number so, and increasing in effectiveness, and doing better work, is because their organizations are becoming more powerful, their aim more certain, and their purposes more noble.

"The business in which you are engaged has unquestionably been bettered by organization. You will meet your criticisms. The medical profession has met

(Continued on page 2)

INDUSTRIAL LENDERS NEWS

Established 1916.

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Correspondence and items intended for publication should be addressed to Geo. W. Kehr, 204 Chestnut St., Harrisburg, Pa.

NATIONAL OFFICERS, 1921-1922

Chairman, W. G. Wood, 268 Westminster St., Providence, R. I.
Treasurer, C. H. Stratton, Sullivan, Indiana.
Secretary, G. W. Kehr, 204 Chestnut St., Harrisburg, Pa.
Field Secretary, H. G. DeWeese, 1948 N. High St., Columbus, O.

VICE-CHAIRMEN.

Conn.—T. C. O'Brien, 113 Church St., New Haven.
Ga.—A. B. Madison, 103 Central Bldg., Atlanta.
Ill.—L. C. Harbison, 81 E. Madison St., Chicago.
Ind.—Robert Spencer, Jr., Grant Saving & Trust Co., Marion.
Iowa.—T. J. Harrison, 115½ E. 4th St., Waterloo.
Md. H. T. Mattingly, 322 Equitable Bldg., Baltimore.
Mass.—W. E. Pool, 63 Court St., Boston.
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OHIO.

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different criticisms, although the members of that organization are engaged in one of the noblest works in relieving suffering, in curing the sick, in helping the distressed and in applying surgery. Their few mistakes are insignificant in comparison with their wonderful blessings and great benefits; yet of course that great profession will have its critics. The members of the legal profession too are not free from criticism, and in some instances they deserve it.

"If they were better organized, it has often occurred to me that many of the abuses that do creep in, would not.

"I am glad to see you organized. I am sure that the heads of the state departments who are here to-night will endorse the statement that any business that is fostered by an organization—any business whose affairs are guided by an organization—is far more easily, and much more effectively, regulated than businesses that are not so organized.

"Not many years ago those who were engaged in making small loans did so when loans were secured by pledge. In the eye of the law pledges were only regulated by custom, and not to any great extent by writing, and when one in distress—mayhap in a strange city, or in a strange town, and needing funds—wanted to secure a loan, he was obliged to leave his pledge with a stranger, whether responsible or not; he could not always know, and unfortunately the one least able to safeguard himself was most likely to make his pledge with some unsafe man. In the course of time your business was born of necessity, and for betterment.

"I know there are those who will say that no organization ought to loan money at three and one-half per cent a month; but they forget the fact that those who are engaged in your business make loans to those whose situation is such that were it not for loan associations of this character, they would be many times rendered helpless. And the reason why the rate of interest may be higher than in the case of the bank is because of the greater expense that is attendant upon the making of the smaller loans, the safeguarding of the small loans, and things of that kind. So that in the last analysis the real test is not always the rate of interest, but the character of the service that you are rendering to the public. I am glad to see these loan associations, and the larger they become the more serviceable they are to the public.

"As a lawyer, the highest compliment I can pay to the men who are engaged in this business is the fact that the legal profession see them least, as a body; which indicates that they go along in the even tenor of their way, deal honestly with their fellow men, help out in the cases where assistance is most needed, and oppress no man.

"I referred to the criticisms that were sometimes raised about the lawyers. Well, lawyers will always be needed; their services will always be in demand, whether on the part of the government, the corporation, the individual—it matters not. Very little good, if any, comes from drastic criticism of the profession as a whole, because someone does an unworthy thing; but it does become the duty of all those who are engaged in a certain line to do their part for the protection of the public.

"I know of some lines of business, and I am sure you do, too, gentlemen, that need organization. If those who are engaged in the business of selling industrial stocks, for instance, had an organization of this kind, aiming, as so well pointed out by this distinguished and splendidly qualified man from Providence, to keep abuses to the minimum, fewer would be, indeed, the complaints coming to the lawyers of the poor man parting with the last cent that he had in the world—maybe his earnings for a quarter of a century—in return for the acquisition of stock that is not worth the paper that it is written on. Indeed, gentlemen, I can say to you, and to those that are engaged in your business, that in comparison with the vast blessings that are conferred upon many men whose situations are such that a dollar at hand is worth three in the distance, I say in comparison with the few abuses that are committed, the blessings indeed are numerous.

"I was pleased with the direction that the speaker took in talking to you.

"Indeed, anyone who reads the life of Lincoln comes to the conclusion very quickly that that man rose from a station in life the humblest, to the most exalted position within the gift of this great Republic, because in honesty of purpose, in sincerity and in correctness of action, and in fair dealing with his fellow man, he perhaps never had an equal in this country. When you stop to reflect that at the age of twenty-three he and another gentleman bought about four stores on credit and gave their notes for them, and shortly after sold those stores to a gentleman or two who didn't pay Lincoln and his associates a dollar, and left Lincoln so in debt that it took him twelve long years to pay it, we get some better conception of the real value of that kind of honesty, that will not leave room for a possible financial wrong. Indeed that great man was unable to discharge what he facetiously referred to as "the national debt"—that is what he called it himself—he didn't get out of *his* national debt from the time he was twenty-three until after he had served his term in Congress.

"I love this country and I love her people, and I like her people because I think that in honesty of purpose, in goodness of heart, and in fairness of dealing, they are at the forefront, and I impute, gentlemen, much of that fairness of dealing to the feeling which is created in meetings of this character, leaving in the minds of every one who attends one of them the thought that if he expects to rise in his business, or to elevate himself in life, he can only do it by dealing fairly with his fellow man.

"Now I must conclude directly, but there are just one or two thoughts that I want to briefly refer to. The future of this business, like every other, will depend upon the conduct of those that are promoting it. Thus far, I think you have cut abuses to the minimum, and I do not say that in any spirit of flattery, although I gathered from the intimation of brother Dyer that one whose forebears come from the enchanting banks of the lakes of Killarney, and who had an opportunity to kiss the Blarney Stone, might be expected to-night to pass the salve around. If there were more complaints coming to Brother Johnson's office, to Brother Dyer's office, to Brother Williams' office here, and to my own, against those that are engaged in your business, against the offices of the loan associations, I wouldn't think so well of you as I do. We come to the conclusion, when a couple get along together for thirty or forty years without going to a lawyer and each one telling something about the other, that they have lived according to the laws of the Scripture pretty well. Now of course we like to see people coming to our

offices; but nevertheless when they do come in in a spirit of contention, while we appreciate a larger pocketbook as a result of their visit, it many times occurs to us that there are persons so contentious that we are glad their visit is short, and we can well understand how the rest of the world has some trouble with them.

"What a grand thing it is, my friends, to meet once in a while this way and drive out every possible feeling of malice from our minds and from our heart, and let the doctrine of fraternalism, of affection and good will, seize us. That spreads when we go out into the world; and when somebody comes to your office and you have accommodated him, and you have loaned him money according to the rules and regulations, and he goes out and feels that he has been served and served honestly, he is going to come back to you.

"After all, let me say in conclusion that the outcome for every business depends upon the application of the principles of honesty. The loaner who is honest in his dealings, who will not take advantage, who would not accept it if it were offered to him, is one whose services will always be wanted in any community.

"I dwell upon this, gentlemen, because I have seen and felt its beauty. I have seen the faces this evening of two men before me, and I thought as I looked at them to-night, if every citizen in the state were before them, as some of us have been before them—and I can speak of this freely because they are not in the public service now—and observe their study and effort and application to hold the scales of justice in absolute balance between those who are contending, could observe every effort of theirs to hold the light of truth and of justice aloft, I don't believe we would have as many troubles as we have. I believe we would get along better in our dealings than we do. And I refer to these two gentlemen over here, Judge Bigger and Judge Rathmell, who graced the bench of Franklin County for so long.

"I want to say before I sit down, the Chairman spoke of President Harding. Well, I felt it was the greatest honor of my life to run against him, even if I were defeated; and I did feel it the greatest compliment of my life when, after he was elected, I sent a modest telegram to him and his good wife, and it was unfeigned; it was sincere; and I supposed he was too busy, or would be, to take the time to answer it, because I knew there were thousands that were after him, after eight long years in the wilderness with the Democrats at Washington and in Columbus by the thousand; and with hard times coming on (Brother Republicans, excuse me; I don't know whether it was our fault or yours; we won't quarrel about that) I suspected he was too busy. But he wrote me a page and a half of a letter of the most personal character, and I say I did feel it as a compliment when he said to me "Mr. Hogan, you were the fairest opponent I ever had"; and he and I have always been, and are to this day, the very best of friends.

I thank you, gentlemen."

Hon. Henry A. Williams, Ex-Chairman, Columbus Chamber of Commerce, spoke as follows:—"Now if you will observe this program, you will notice that it is very carefully concealed from the knowledge of those present that I am a lawyer. And I know the man that brought this about. It is true that he and I were together a great many years in politics and practise of the law; but I want to say that if Joe Dyer were as good a financier as he was a lawyer, the rest of you would have to step lively to keep from being run over.

"When he was talking I was reminded of a story about two Hebrew traveling salesmen, coming from St. Louis together. One of them got to bragging and he says, "Ikey, I had the best week's business in St. Louis I ever had in my life. You can't guess how much I sold down there." The other fellow said "I know I can't." And the first said, "Guess, now." The other said, "Well, I'll guess half." The first one said "Half? What kind of a guess is that? Half of what?" . . . "Why," he said, "half of what you say."

"Now I am glad to be here to-night, and to hear my good friend General Hogan, who always makes a pleasing address. I remember when the General was running for the Legislature. The first time he ran for the Legislature he ran on a dry platform and was elected; the next time he ran on a wet platform and was elected, and they said he was getting ready to run on a dry Martini platform when the Volstead Act put a stop to further ambitions on his part along those lines.

"You know there isn't anything more fitting than for a lawyer to be present at a small loan Association banquet, because that's the only kind of a loan they will permit a lawyer to make.

"I was reminded of a story, while sitting here, of General Powell's; when acting as counsel for Cassie Chadwick he said he was called to go Put in Bay to address the Association of Ohio Bankers, and when he came back he told her about his experience. She said, "General, how many of them were there?" He said, "I suppose about two hundred." She said, "Two hundred bankers there, altogether at once?" He said "Yes." She said "General, what wouldn't I have given to have the chance to talk to two hundred bankers at the same time!"

"So I am very glad to have a chance to talk to the large and small loan men at once. I have been very much pleased with what was done and said here tonight; I especially appreciate and recognize the fact, as General Hogan has already stated, that a lawyer is all the time called upon to speak to groups or associations of men who know a great deal more about the thing in hand than he can or does, but it seems to me that the thing that was most impressing about what has been said here, is the fact that this Association is undertaking to make the business of small loans respectable. And that has been done by a process of evolution and by a process of organization. And first of all you made it respectable by making the loaners respectable. We all know that a great many years ago, when a man or a woman came to the point where they could not borrow from a bank or a recognized financial institution, and had to go to what was known then as a chattel loan shark, that it was in a sense a disreputable business; that the man who made that his particular business had the idea of getting out of the transaction all that the traffic would stand. In other words, he took everything he could get, and the process often ended in a situation a good deal like the situation that was presented to a darky who put his money in a Freedman's bank; a group of colored gentlemen organized a bank and this fellow put in fifteen dollars and left it in for about a year and a half. He finally came around and tried to get it out. He went up to the paying teller, and he said: "Man, you ain't got no money in here." He says "I sure have; I done left fifteen dollars in here about a year and a half ago." The teller said, "How long ago?" "About a year and a half ago." "How much?" He answered "Fifteen dollars." "Why," he said, "Man, the interest has jest nacherally et it all up long ago."

"Furthermore, gentlemen, not only has the business been made respectable, but it has been made scientific. What I mean by that is this: As has been pointed out, the business of small loans, that is, the business of loaning to people who have not collateral, who have not credit, who have not resource, must necessarily be made upon the basis of a larger charge, because the hazard is greater; the risk of a loss is more imminent; the expense of the transaction is necessarily larger; and the personal element of the moral risk is often wanting. And therefore there must be protection, and there must be a charge commensurate. But the advantage of organization is first of all, that you can bring together as the loaner not only the men who may be well to do, but by organization of an Association you make it possible for the small investor to contribute his amount to this capital that is to be loaned to the small borrower upon insufficient collateral, and as you take the risk of loss, so you are entitled to compensation. Not only so, but by organization, by having a larger capital and a larger paying power, you can have management; and we all understand that frequently the ruin of all financial institutions is caused by lack of management. Lack of scrutiny, lack of capable selection of risks, and the failure to play safe. Often the best banks will sometimes fail; and I am reminded of another story they tell of a darky down in Virginia. A bank in his town failed; this fellow had fifteen or twenty dollars in the bank, and when a receiver was appointed they had offices in the front part of the bank counting the money, and he was mightily interested; walked up and down and saw them counting the money and checking off the collateral. Finally one of the employees came out and said "Sam, what are you so interested in this for?" He said "Why, I tell you, Boss, I had twenty dollars in that Bank." said, "Well, I know, I hears of banks didn't you ever hear of a bank breaking up? That's not an unusual thing." Sam said "Well, I now, I hears of banks breaking up before, Boss, but this is the first time I ever had one bust right up in my face like this."

"Thus your service through your organization is scientific; inasmuch as you can determine the proper rate commensurate with the service, you are beginning to make the service respectable and proper from the standpoint of the borrower. For a long time a man who had to go to a chattel loan association, and who had to pledge his personal property or his jewelry, felt that he was humiliated; that the transaction had

something of the disrespectable in it: but because of the fact now that you maintain your offices in respectable buildings, because you have courteous and gentlemanly managers, because you have a service that is fair and inuring in its respectability, he goes there without losing his self-respect; he feels that the transaction is a business transaction; that he deals face to face with an organization that will be fair to him if he is fair to them, and you are putting yourselves upon a plane of recognition as a legitimate business enterprise.

"And I have been gratified in hearing what Mr. Wood had to say; how well he supported this disposition on the part of the owners and the managers to correct themselves, and to see that those who are gone over to questionable practices will be frowned down and kept out of the business, and that you will take your rightful place as a legitimate and necessary institution in this state and in the United States."

Hon. W. H. Phipps of the Ohio Department of Commerce addressed the meeting as follows:—"I have listened with a great deal of interest to what has been said tonight; and some excellent things really have been presented to you.

"You know I happen to be just now in charge of the Department of Commerce, and in that Department I have to consider the banks, the building and loan men, the securities division, the chattel mortgage business and the pawn brokers. And when I am with one division, sometimes I hear criticisms of another; and I am trying to get you all on a reasonable, sound basis with each other. But those criticisms remind me of something I heard not long ago in New York, when I was attending a meeting of the presidents of the life insurance companies.

"Pat and Mike were working on the street in a certain town in Ohio, and while they were working there—well, I should say first that there were two gentlemen who were clergymen in that town, and who were very fond of fast horses. One of them was the Presbyterian minister and the other was a good follower of the Catholic Church. While they were working there in the street the Presbyterian minister came tearing down the street, lickety-split, about as fast as he could go. And Mike said to Pat, "Pat, and did you look at that; did you see that man? How can that church have any respect for him, traveling like that through the streets of the city?" It was not much longer until the good father came along, traveling, if anything, a little faster than the other. Says Mike, "Did you see the good father? He is so anxious to get to his church that he can't go fast enough."

"Now when I hear any criticisms of the various divisions that are in the loaning business, I wonder if there is not something in viewpoint. You gentlemen who are engaged in this business, as in every other business, realize the importance of having men who are of good moral standing, and good intentions; and I want to say this: When the proposition comes before the Department of Commerce to license any person or corporation to engage in this business, or in any other business, your moral standard—or their moral standard—is considered. We want to know if you are going to deal fairly with the men with whom you deal; as we do with the "Blue Sky" Department.

"In the Blue Sky Department we have had much abuse. I mean to say, people selling securities have abused the people of the state of Ohio very largely, and we are trying our best to eliminate that. When any person comes before us with the proposition that he wants a license to sell stocks, we investigate his personal standing and undertake to determine whether or not he is going to be truthful in his statements about the stock he sells, and whether he is going to treat the public fairly and squarely and honestly; that is the main thing back of any business, I don't care what it is, and that is the main thing back of your business. You are doing a good work. The banks cater to people who are investing quite largely; sometimes they, of course, have people who are needing money very badly, but they are men usually of considerable means. You are dealing with people as a court of last resort; they come to you for funds because their needs are such that they can't get it anywhere; they perhaps could not put up a note with the kind of credit that the bank would require.

"Now then, that being true, and you being the only people that will furnish these people the relief they must have, if possible, it becomes you to deal with these people squarely and honestly and conscientiously, not taking advantage of their pressing needs, and for that reason the character of you men who are engaged in this business ought to be closely and carefully scrutinized.

"I have been struck with this thing during the present financial situation, and I have noted it quite largely: That there has been a tendency—I don't mean with you people, because I have not noted that—but there has been a tendency, that is, with the banks and mortgage loan people and other institutions that loan money to people in need, to overcharge and take advantage of the present emergency and scarcity of money. To my mind that is unconscionable.

"A friend of mine who owns a large farm, and went to some person—I will not name them, they are in Indiana—, and who he knew could loan on his farm, which he must have, and that he could ordinarily get, we will say, at six per cent (in fact a few years ago he could have had it at five per cent); these people he knew had the money, and they asked him for eight per cent and a ten per cent commission, because they thought the amount he needed was such that he couldn't get it anywhere else. He came to me with the proposition, and I asked him if he would pay my expenses to Chicago; my services were free of charge if he would pay my expenses there and back, which he did, and I secured the money for him without any commission and at six per cent.

"Now I did that not as a matter of business, but because I knew that man's urgent need, and I thought these other people were endeavoring to rob him, and I want to say to you that the thing that those people did (and they are well-known) will prevent them from doing very much business in the locality where that man lives, because he is telling everybody about it.

"Now what you do to your customers is known everywhere: if you treat them well, your good fame spreads abroad; if you treat them illy, graspingly, and taking advantage of their needs, that too spreads abroad, and ultimately you lose by that sort of action.

"Now gentlemen, I am here just simply to be introduced. I will say that I am very glad to meet you, and close my remarks."

THE IDEAL LOAN MANAGER.

C. B. Ogle,

Treasurer and General Manager, The Industrial Loan Co., Columbus, Ohio.

The general theme of our meeting today is that of goodwill and service. The problem before every small loan company is how to best create and sustain goodwill in the community where it operates. No institution, no matter what its character may be or how necessary or helpful its service, must have and maintain a certain degree of goodwill in order to succeed. The particular theme assigned me as a subject for the paper is "The Ideal Manager" of the Small Loan Company. From the standpoint of his personality, appearance, education and other qualifications for the purpose of creating and sustaining that goodwill which is so necessary. You at once realize the largeness and importance of the subject.

First of all I would say the small loan manager occupies a very unique position with regard to a particular class of the general public. His position is very crowded with opportunities to render many various kinds of service in a more or less limited degree. Since the varying nature of his work gives him a definite and more or less complete knowledge of the private life and business experience of those who are most eager to receive his material assistance. To cope with the situation thus created, most successfully the ideal loan manager should have the following qualifications:

(1) He should have a human heart; a heart of flesh that beats with the warmth of sympathy that enables him to win the confidence of the applicant from the very start as in this way he can more nearly arrive at the true facts in the case. I believe I am safe in saying the ideal loan manager should never become loud or presumptuous under any circumstances as these qualifications always indicate weakness and create harmful attitudes.

(2) The ideal manager should have a mind of his own or be able to use the same with considerable reservation—to be sure he has all of the information before he makes his final decision and be able to give satisfactory explanation for his conclusions; always bearing in mind, his is a position of service—service to a class and type of people who in a vast majority of cases have failed to get what they needed elswhere and for that reason will appreciate all the more his consideration, advice and material help, all of which he should be able to render and by rendering establish a friendship that time alone can prove its real worth not only to his company but to the general uplift of the community.

(3) The next and possibly the most outstanding qualification of the ideal loan manager is that of his education when this term is properly interpreted and rightly understood to mean the de-

gree of self-development and growth which enables the possessor to fit any and occupy his particular position with the highest degree of efficiency and helpful influence. When I speak of education in this connection I do not refer to book knowledge alone but to all the vicissitudes of fortune or misfortune; to all of the opportunities for good or ill; in other words the sum total of the experiences through which an individual has passed which enable him to know the secrets of human nature itself.

There are some men who have the natural ability to read character and estimate human values but for the most part this ability is acquired through contact or experience thoughtfully and conscientiously studied. It might be said truthfully, as is our knowledge of human nature so shall be our power to influence and help men in not only providing for them the things they want at a profit to ourselves but in securing for their benefit, to our satisfaction, the things which they need. I should say the ideal loan manager's education should cover the three distinct phases of knowledge, religion, business and law. The first phase will sustain his humanity and keep him real, that he may touch and handle men. The second will afford him information that he may know the practical and business side of transacting the business of the institution he represents, profitably. The third will help him to be sure of his grounds and know to what extent it is necessary for him to go in order to always be safe. This phase of his education also qualifies him to serve the patrons of his company in an advisory capacity in many circumstances and experiences through which they are passing and often to their material advantage as well as his own.

(4) The personal appearance and affability are very important qualifications of the ideal loan manager. While his dress and general demeanor should not indicate or suggest selfishness or extreme wealth he should be neat and so conduct himself as to give one a feeling of confidence in his good judgment and ability to succeed in the things he might undertake. Underneath the apparel and back of all that he is or does there should be a personality that smiles and is kind especially when we realize that he is touching from day to day those who have had or are having cold and discouraging conditions thrown about them who need the warmth and sunshine coming from a sympathetic heart and a consecrated judgment that has for its chief purpose the greatest help for all without injury to any. Such a spirit and service will create rapidly and sustain permanently goodwill in any community.

(5) Fifth and last but not least, the ideal loan manager must love his work because of the opportunity it affords him for self-expression in practical, helpful service and to be an executive of sufficient ability to reorganize his force and manage the affairs of his company in an upright and satisfactory manner.

If you possess the qualifications outlined in this paper, success is sure to attend your efforts in due proportion. If you do not have these qualifications but find yourself slipping a little here and a little there the practical thing for you to do would be to cultivate the strong points and strengthen the weak places by constant reading, study and social contact.

Read at the midwinter meeting Ohio Loan Association, Columbus, January 26, 1922.

HOW CAN THE EMPLOYEE OBTAIN AND HOLD THE GOOD WILL OF THE EMPLOYER?

T. R. SCHOONOVER,
President, The City Loan and Savings Co., Lima, Ohio.

Goodwill as I understand it is merely a state of mind, and the degree and quality of goodwill which radiates from an employer to an employee, naturally is dependent upon the personal characteristics of the parties. The most patient and faithful employee in existance could never hope to gain the goodwill of a selfish, grasping employer. And on the other hand a week-kneed, spineless employee could never elicit other than a feeling of pity from an employer of the more forceful and ambitious type.

Some employers seem to enjoy giving orders and issuing decrees just to see the office force jump. That is the slavedriver type. Others want to do everything themselves but lick the postage stamps. That is the domineering type. Still others never like to get any nearer the actual scene of business operations than the eighteenth hole of the golf course. That is the type that generates socialism and bolshevism in his office force instead of goodwill.

Then there are employees who have faults too. Take the fellow who arrives every morning from five to ten minutes late and quits in the evening the instant the clock strikes—he will always be an employee. Then there is the "bird" who is slovenly and sloppy about his work, has a hit-and-miss fashion of doing things, and spends two hours doing what could have been done in ten minutes. A farm hand was ruined when that fellow was taken in the office. The "sport" is another menace to a sound business organization. He is the fellow who knows each day's racing form, can call the big league ball players all by their first names and give their batting averages; or bet next month's pay check on the flip of a coin. He is excess baggage on the payroll, and ought to be waiting table or driving a taxicab.

But when both sides play fair, and both employer and emloyee are honestly striving to give all that is in them for the good of a common cause, many things can be done by the employee to win and hold the goodwill of the employer.

In the little company of which I am the head, goodwill as it exists between the employees and myself is silently understood and that is about all. And I am glad it is that way. It is very distasteful to me to see anyone making a visible effort to gain an advantage or get a "stand-in" with his employer. Those who work, use their best judgment and produce results are the ones most valuable to the concern.

Of the many good qualities in our various employees, the one that is most gratifying to me is *self-reliance*. I have the kindliest feeling towards the person who has the courage to act at all times. The fellow who, when he sees a task, quietly puts on his coat and hat and digs out, and reports back only when he has succeeded or failed in his purpose, never need worry about losing his job with our company. I don't care how badly he may have bungled, nor how far astray his judgment may have led him, nor how much I may think he deserves to be reprimanded—in the end I know that he is a better man for the firm as a result of his experience. Next time he will know better, and by a series of such experiences he naturally gains his employer's goodwill by the confidence he inspires.

Another worthy quality in my opinion it that of an employee offering new ideas and suggestions, and then defending them with reasons why they should be adopted. This shows that his mind is on his business, and that he is trying to improve a system or increase volume.

One of the finest things in the world to create goodwill I think, is to drop formality. Some of the older members may disagree with me on this point—and in the case of those of you who insist upon the formality of being addressed by your help as Mr. so and so, I make the statement that you are missing the comradeship of your staunchest friends.

For the benefit of our office force I sometimes wish that I had a good, snappy nickname. They all call me "Tom," that is, all except the ladies, and I think they would too, except they would have to settle it with my wife. Some do call me T. R., and I don't mind telling you I like it. Encourage your help to call you J. D. or Bill or Chief, or whatever you like, the effect is wonderful.

Now I realize that in dealing with my subject I have not only digressed, but have been largely personal in my observations, by enumerating a few of the things that I prize as attributes in employees. I firmly believe that from a group of 100 successful business men, exactly 100 different ideas could be expressed as to what each esteemed the best qualities in his employees. But if I were asked to tell a competent man who seriously wanted to make a business connection with an employer who would appreciate his talent, I would tell him to avoid two pests, viz; the *Genius*, and the *eccentric*, and even after taking employment with the average employer, he would have to use his wits, for

"Success lies through an open hall, with
the vestibule always full,
Some get in by the door marked *"push"*;
and some by the door marked
"pull."

Read at the midwinter meeting, Ohio Loan Association, Columbus, January 26, 1922.

HOW TO OBTAIN AND HOLD THE GOODWILL OF OUR PATRONS.

C. F. MITCHELL, DAYTON.

The assets of many kinds of business are chiefly goodwill, and a purchaser, when buying some kinds of business, usually requires the seller to sign a contract not to enter that business again for a term of years, knowing he has the happy faculty of obtaining and holding the goodwill of his patrons.

After twenty-five years in the loan business in Dayton, we certainly ought to know whether we have obtained and are holding the goodwill of our patrons.

Our best evidence is the number of loans we make to old patrons.

Only recently we made a loan to loan No. 2, and it is not unusual for a patron to apply for a loan and refer to a loan they had with us 5, 10, or 15 years ago.

One of our first loans was to a man who drove a horse drawn street car. That man to-day owns one of the finest stock farms in southern Ohio. He claims he got his start on the farm from the money he borrowed from us to purchase farm implements; he also claims he made more money from those loans than we did. He has a loan with us at the present time, yet his credit is now good at his bank.

I had the pleasure of introducing him to one of our inspectors about a year ago, who can tell you if we had his goodwill.

It pays to advertise, but it costs more to advertise in the newspapers than to have a satisfied customer do it for you. The newspapers can't give you a personal recommendation, but the patron can.

It has been said that "first impressions are generally lasting." That can apply to both company and patron. Many times our "first impressions" of a prospective borrower helps us to decide whether to grant a loan or not, likewise, our attitude toward the borrower forms their "first impressions" of the company from whom they expect to secure the loan, and their payments may be the result.

It's a poor rule that won't work both ways.

In taking an application from a new patron it has been our policy to drift a little from the subject and let our conversation run into other channels, and we usually secure more real information than from the cold, cast iron form of the printed questions on our application blanks. Many times the information of a friend or relative in another city has assisted us in locating a skip.

Talk automobile, children, fishing, any old thing, and if you are on to your job, you will remember some of that conversation and mention some of it from time to time as they make their monthly payments, which induces them to think we have taken some interest in their behalf. If we did not kid or joke with some of our patrons each time they called they would feel disappointed.

What class of people borrow money, can best be answered by, what class do not borrow? We have loans with merchants, manufacturers, preachers, doctors, dentists, undertakers, school teachers, farmers, mechanics, laborers, and it is just as essential to obtain the goodwill of the merchant as the laborer.

For what purpose do they borrow? The reasons are so various it is hard to designate, but mostly of necessity, while some simply ridiculous.

In some cases we can show a patron how they can get along with a less amount, or none at all. Many patrons call on us for advice regarding disputes over bills, buying a home, furniture, and a dozen other things. We go so far as to take them to our attorney, send an expert to examine an automobile they contemplate buying, go to see a piece of real estate, in fact we are never too busy to assist in any way possible.

Don't lose sight of the fact that the manager is not in the office every minute of the day, therefore, a courteous, good-natured assistant is one of the best assets you have, and a manager with a grouch in the morning had better let the office boy run the business for the day, as the cost of advertising for new business is expensive and each new patron costs more than the interest received on the first loan.

In the matter of collections. A plain positive understanding regarding payments when the loan is made, saves trouble and misunderstanding later. Take plenty time to go into details just how the loan is to be paid. This will save postage or calls later.

Most of our collections are reached by mail; we do not average a dozen calls per week.

Our first instructions to a new assistant when sending him out on a slow account is, never to say anything that he will be ashamed to call again should occasion require.

In most cases, pride keeps a patron from calling if unable to pay. Don't embarrass them further by being rough or unkind. "You can't get blood out of a turnip," is only too true if a man is out of employment, therefore, a little sympathy, leniency, and simply being human does more toward obtaining their goodwill than a severe lecture, and the account will be paid much quicker. Try to place yourself in the same position.

If a patron is prompt, don't hesitate to tell them you appreciate it. If they call, write, or telephone they are unable to meet a payment, thank them for informing you, it costs less than postage or car-fare to secure that information.

We have refused to increase loans to some of our best paying patrons, when in our judgment their income was not sufficient to meet the increased payment, and have received their thanks later.

Carelessness, over confidence, or too much goodwill on our part sometimes results in a p. and l. Better look up his credit again before extending further credit.

During the past year we have had several slow accounts with some of our older patrons on account of lack of employment. With a few we have talked the matter over confidentially and agreed if they pay $1.00 per week regularly we would charge no more interest, and give them a chance to close the account and still retain their credit with us. Some have done so and feel very grateful, and so do we.

In Dayton we have companies charging 3 per cent, one 2½ per cent and one 2 per cent, so you see we have some competition. yet we all work in harmony, and although we sometimes lose a patron because we have failed to practice the Golden Rule, yet we obtain and hold the goodwill of the majority of our patrons.

Read at the midwinter meeting, Ohio Loan Association, Columbus, January 26, 1922.

THE IDEAL OUTSIDE MAN.

M. L. Anderson, Mansfield.

When our friend and chairman Mr. Dyer asked me by letter to speak on the subject of "The Ideal Outside Man" I was reminded of the story about Lincoln and the old gentleman.

Mr. Lincoln asked an old gentleman if he would change a $10.00 bill for him—the old man bowed low,—told him he could not give him change for the $10.00—*but, thanked him for the compliment.*

So Mr. Chairman, while I haven't a speech—I thank you for the compliment.

I manage two offices and check all security so in my few remarks I may get out of one field into the other.

I believe that the office can make the work of the outside man easier, if they will explain the method of loaning very carefully at the time the application is made.

The need of checking security at a reasonable value and the 3 per cent rate are misunderstood by almost all borrowers.

Say in the case of an application for a loan of $100.00 you value an all leather, mahogany davenport in the home of a high class applicant at $10.00, for which he has just paid $85.00 and you go ahead without any explanation to check all his goods accordingly and perhaps demand as additional security an automobile you can easily see that he is justified in taking offense.

One outside man told me he always took all the security he could possibly get and that the type of borrower and the amount loaned had nothing to do with the case.

Don't ride a willing horse and then wonder why he quits in the middle of the stream.

Yes the customer does need money but don't demand the earth with a rubber band about it.

If he is of the type of borrower who you know you must get all the security he possesses, then I think the safe thing to do is tell him kindly the loan cannot be made.

In talking to one manager about the rate he said that he explained carefully the plan but when he came to the rate he sort of smoothed that over as of little consideration.

Right there is where he makes a serious mistake, *don't smooth over the rate tell just exactly what it costs.*

*If we have no honest to goodness reason for charging the rate * * * let's change the rate. * * * the rate is justfiable, * * * and we cannot loan at less * * *.*

It will pay every company to have the outside man take some time in the home and explain the method of checking security and the rate.

I am wondering if the Ohio Loan Association could not justify hiring a good advertising man to work out for them definite advertising and then each member of the association use this advertising in paid space in their local papers? The cost of this advertising to be paid for out of a special fund paid in to the association by the members.

I told you folks at the beginning of this paper that I was liable to get over into the other field, so I did it, *I jumped the fence* and got over into the *managers field.* But let's jump the fence and get back into the field of the outside man.

If you are an outside man and do not love children you are missing a splendid opportunity for boosting both yourself and the company.

You may think I am joking when I tell you to carry some extra pennies, candy or chewing gum in your pocket and give them out to the children, *but try it,* and be convinced that you can win the hearts of the children and gain the respect of the parents and the company is likely to get a customer who will keep in touch with the office.

The manager is very fortunate if he has a fine type of an outside man whom he can send to the homes of slow pays and have a heart to heart talk with the borrower.

I feel that times are very seldom when the manager can justify talking to the customer when he comes in the office to pay.

If the manager ever does talk to a slow pay as they call, he must be very kind and tactful else he will scare the customer away and thus defeat his object.

Don't make a collector out of your outside man, let him call on skips and slow pays, check security but educate your borrowers to pay every payment at the office if possible and if not possible have them mail payments in addressed envelopes.

The time to get rough with customers by either managers or outside men comes only once every 10,000 years and if any loan company has a man or men in their employ who are *pluguglies,* my best advice would be fire these fellows and get men who get results not by trying to scare the customer but by being kind, tactful, fair and businesslike in their methods.

Some loan companies hire anyone to check security if they know values and are experienced men.

Be careful of our outside representative and in every case pick a man who is clean about himself and see that he wears neat clothing, be sure that he is a gentleman, honest, decent in his conversation as he represents the company and we cannot afford to take chances with our reputation.

Do not allow an outside man to call on your borrowers unless you can trust him to be a gentleman while in their home.

The husband is seldom at home when he calls and it gives an indecent man an opportunity to take advantage of the wife, and a man who will take undue advantage will soon clutter up collections by making certain concessions that is not due the borrower.

Many times the wife does not appear at the office but the outside man has an opportunity to see how much of an interest she seems to take in their home, whether it is clean, the condition of the security given, its age, quality, etc., whether she is a good wife, in fact must be a judge of not only security given but also character, ability to pay a loan, must read human nature and be able to decide for the office whether the office should make the loan.

Personally I feel that every manager should have the outside experience if he expects to understand how to make loans and he cannot look at the transaction from the standpoint of the borrower unless he has had experience in the homes of the borrowers.

I want to sum up what little I have claimed an outside man should be and do, because I want to ask a question of the association members.

An outside man should explain carefully our methods—must know values—love children—have heart-to-heart talks with slow pays—never get rough—look up skips—be kind—fair—tactful—business like—decent—clean in person and speech—respectable in the home—know when sufficient security is given—a reader of human nature—able to help the office decide whether loans are o. k. —and last but not least be *the best outside man in the state and soon will be noticed and can become manager and owner—.* The question I want to ask may sound foolish and unnecessary but it is this: *Could loan companies justify hiring and training women as outside representatives as well as men?*

We deal mostly with home folks and a woman will note more carefully home conditions than a man and is better able to judge why and for what purpose money is needed.

Women can be employed for less money.

Statistics show that women are more honest than men.

Women calling at the home are not tempted to do wrong like men.

Women are not likely to get rough with customers.

If the proper care is taken in hiring high-class women I do not see any reason why (Women, not girls should not?) be employed.

Read at the midwinter meeting of the Ohio Loan Association, Columbus, January 26, 1922.

AN IDEAL BOARD OF DIRECTORS.

J. N. Woodruff, Cleveland.

A board of directors being elected by the stockholders of a corporation are held directly responsible for the success or failure of the business. There is no shifting of responsibility if a manager who is hired by the board of directors makes a failure, the stockholders do not look to him, but to the board of directors who employ him. The first important service of a board is the selection of a manager. A great mistake can be made by selecting someone whose only qualification is the possession of a stock certificate of the company. Great care should be taken by the stockholders in electing a board of directors, only men of good judgment and broadmindedness should be chosen, men who are willing to devote some of their time to a study of the business. First of all they should be regulars and attend all meetings of the board; they should familiarize themselves with the necessity of small loan companies, and become thoroughly familiar with the provisions of the law under which we operate, so they will be capable if not only defending the necessity of our being in the business, but the rate of interest as well, when in the presence of those that are hostile to our business for lack of knowledge of the great need for small loan companies and of the rate of interest necessary to operate at a reasonable profit.

Members of a board can render a great service to their company and the business as a whole by letting their associates know of their connections, and the work we do. Board members should be ever mindful that it is service that we are getting paid for, our dollar is no different from the dollar loaned at 6% per annum., and our only justification for 3% per month is the service we render.

A board of directors should pay close attention to delinquent accounts, if they don't pay much attention to same the manager may feel they expect a large list and will not put on full steam in cutting down delinquent list. An ideal director should drop in the office during business hours occasionally when in the vicinity, in this way he has an opportunity to see the class of patrons we have, how they are taken care of, and get a close-up of the business.

How can we expect to have an ideal board of directors if none of them ever visit the office during business hours, how can they know just how our business is conducted, and the problems we have to contend with.

An ideal board should be made up of men who represent the various activities in any industrial center. They should be men who represent the various activities in lines as to inspire the confidence and respect of the people; they should be so intimate and close to the business of the company they represent as to know its requirements in and out of the office. They should have an acquaintence with each employee and study his duties and have the means of knowing whether each employee is 100% proficient in the performance of his line of work. They should be broad minded, and generous in their appreciation of the services rendered by their employees and should be ever ready to pay them just and fair compensation for good services delivered to the company. Their treatment of their employees should be so fair and just as to make their employees enthusiastic about their work and always ready to render any extra services if the business requires it.

A board of directors made up of the class of men above described and performing their duties in the manner herein indicated, will make any company a great success.

Read at the midwinter meeting Ohio Loan Association, Columbus Jan. 26, 1922.

THE IDEAL LOAN OFFICE.

E. E. Beyer, Cincinnati.

Websters definition of *ideal*—"An imaginary model of perfection."

Sorry that Webster saw fit to include "imaginary" in his definition of this word for when we speak of anything being "ideal" we mean it is the best and the most perfect in that line.

Oftentimes we hear women say "she has an ideal husband." Webster must have heard that remark and immediately added the word "imaginary."

To make an "ideal" loan office the manager must have employees in whom he has confidence also puts confidence—they are the best workers.

He must himself be a worker. Too often do we find a manager who comes into the office in the morning (usually late) and with a nod of his head to the employees, instead of cheerful "good morning" he goes straight for the door of his private office, closes it and then the employees must tiptoe to his door,

await his yell of "come in" to see their most wise King.

In an "Ideal" office Mr. Manager would walk around, look around, talk to his employees and customers on the outside of his office occasionally. This will give him and the office an airing as most private offices look like smoking dens a few minutes after his Highness has entered.

The "Ideal" Loan Office keeps the doors of their offices wide open, even the one leading to the managers "coop" and the manager who when he gets through with his customer or visitor walks out of his office finds Mr. Brown is the next one to be waited on and says "now Mr. Brown I will wait on you" instead of sticking in the coop to have an employee tell him who is waiting to see him and picking out one he likes best to be ushered in first, he is the man that is trying to make his office an "ideal office."

When your customers refer others to you who say, "Mr. King who dealt with you told me to come to you if I needed a loan that you folks accommodated him promptly and treated him fine." When your customer pays off his loan and says, "I want to thank you for the loan you made me and the way you treated me. If I need another loan I will know where to come and will refer to you those who find themselves in need of money." When the employees of your office, the people in the building you are in, speak well of your office then you know you are on the way toward making your office an "ideal office."

When your competitor finds your office gives him information that is correct regarding any matter he has asked you about he is in time going to class your office as the "Ideal" and maybe he will after that give you information that is correct which you have tried to have him do for sometime in the past.

When you live up to the laws of the state especially sections 6346-1 to 6346-10 of the General Code, when the chief or his inspectors call on you for information and you give them all the assistance you can, when they inspect your books and find no overcharges or violations then you are on the right road to having an "Ideal" loan office.

When you know it is your duty and to the interest of your own office to belong to The Ohio Loan Association and the American Industrial Lenders Association, you join them, attend their meetings when you can, take part in them, pay your dues as promptly as you would have your customers pay you, then and not until then can you class your office as the "Ideal" loan office.

Read at the mid-winter meeting of the Ohio Loan Association, Columbus, Jan. 26, 1922.

GEORGIA.

A. B. Madison, Chairman of the Georgia Association announces a change in the office of secretary and treasurer of that organization as follows:—"I beg to advise that Mr. Ed. L. Wight of the Wight Investment Company who has been secretary and treasurer of the Georgia Licensed Lenders Association since its organization is discontinuing the 3½% loan business and because of this he did not deem it advisable to continue as secretary and treasurer under the circumstances, so he tendered his resignation which was accepted at a special meeting held February 10.

"Mr. B. L. Lassiter, manager of the Southern Security Company 215-16 Atlanta National Bank Building, was elected to fill the unexpired term. I wish to say that we now have a real live secretary and one who will take an interest in the business and keep things moving and who will see that the boys pay their dues both to the State and National Associations. Mr. Wight is a good fellow but he was almost always out of town.

"I was supposed to notify you the day after we held the special meeting of the change but it escaped my mind entirely and I never thought of it until Mr. Lassiter called me up to-day and told me that he had gotten a letter from you and that you had not been advised of the change. I am sorry that I did not give this matter my immediate attention as I realize that you should be immediately informed as to any change in the officers of the Association."

MICHIGAN.

Addressing the National Secretary, J. A. Macbeth, Secretary of the Michigan Association writes:—"On March 22nd, the Michigan Association will hold their meeting in the Hotel Downey at Lansing, Michigan.

"The program committee, I understand, are hard at work preparing to make the meeting a very interesting one, and we have the greatest hopes of being honored by the attendance of the Hon. Hugh A. McPherson, Commissioner of the Banking Department for the state of Michigan.

"A little publicity to this effect in the NEWS will be greatly appreciated."

THANK YOU.

The heading of this article is intended for all those members of the A. I. L. A. who have so promptly responded to the call of the National Secretary for the payment of dues February 1. Although many members of the national organization have not yet remitted their dues it is hoped that they will do so without further solicitation and that Mr. Heywood's admirable spirit will dominate their actions. In connection with his remittance Mr. L. H. Heywood, of Chicago, said:—"Am enclosing herewith my check for $50 for A. I. L. A. This is double what I have paid heretofore and represents more than $1.00 per $1,000 on my investment. If it is enough I shall be pleased. If not, you may call on me again in 6 months. My expenses are heavy in proportion to my investment. However, I do not lose sight of the fact that "self-preservation is the first law of nature," and we want the business preserved."

MARYLAND.

Secretary H. H. Larsen sent us the following report of the Maryland association meeting. January 24, which was held in the Board room of the M. & M. association.

"Meeting was called to order by the chairman.

Roll call and reading of the minutes of past meeting was dispensed with by regular motion. Mr. Wm. Young and nine members were present. Mr. Young of the Publicity Committee consisting of Messrs. Watts, Young, East and Goldrick, and appointed to map out a program of activities for the year, promised a detailed report by next week. Said committee not having had an opportunity to meet since their appointment a few days ago. Mr. Hougham was elected to represent us on the division committee of the M. & M. Association, under the heading of "Industrial Financing of Small Loans." It was left up to Mr. Hougham and the chairman to ascertain exact number wanted on said committee, and to the chairman to make further appointments.

The resignation of Vice Chairman, E. P. East, from the executive committee was read and accepted with regrets of all present. F. B. Snyder was elected to fill the vacancy caused by the resignation of Mr. East and was later elected by the executive committee, to the office of vice chairman.

Bills for 18—1922 year books, $18.00 and bill for cards and certificates, $9.50 were ordered paid. After a little discussion it was decided that we would hold regular meetings on the second Tuesday of each month with the possible exception of July and August and the chairman was instructed to make arrangements with the M. & M. association for the use of the Board room for such dates. No meeting to be held till March 14, 1922.

Members attention was again called to the treasurer having cuts of our emblem, for stationery and letterheads, and that same could be obtained from him at the actual cost of $1.45 each.

Mr. Young spoke very highly of the successful meeting held by the Pennsylvania association and agreed to do all he could to make our next annual meeting as successful as theirs. Adjourned to March 14, 1922."

EXPLANATION.

Due to absence from his office and illness in his staff the work of publishing the February NEWS has been much delayed by the National Secretary. It is hoped this issue can be promptly followed by the publication of the March number which, like this, will be filled with much interesting material for our readers.

During the last two or three months some very important meetings have been held by the Iowa, Indiana, Illinois, Pennsylvania and New Jersey Associations, accounts of which are awaiting publication as soon as we can get the matter in shape. There has been legislative activities in Massachusetts, Virginia and Kentucky, the result of which we hope to report before long.

National Chairman Wood continues ill at his home but from his sick bed he signed the 1922 membership certificates which will be mailed to all members who have paid their dues as soon as they can be engrossed.

The A. I. L. A. is functioning the best it can under the circumstances and despite many handicaps about which members will be advised in due course, progress is being made everywhere.

The Field Secretary is now engaged in legislative and membership work and reports from both quarters are encouraging.

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APR 16 1922

INDUSTRIAL LENDERS NEWS

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WOOD GIVES FINE TALK.

Meeting of Loan Men Is a Splendid Success.

A greater success than was even hoped for, was the opinion of the managers of the Indiana Licensed Lender's Association of Indiana, who attended the first convention ever held of its kind, yesterday, in this city. More than 100 managers from all parts of the state enjoyed the convention and the hospitality of the city of Marion.

Resolutions which were an appreciation for the hospitality shown by the city through Mayor Daniels, city officials and representatives of civic organizations were passed.

Wood Gives Speech.

The convention closed with the afternoon session, at which the address was given by W. G. Wood of Providence, Rhode Island, national chairman, who appealed to his audience to get the right view-point in the relations with the customer and public. "A quarrel with your customer is a difference in view-point, because you have not taken the trouble to get his vision and therefore cannot grasp the significance, to him, of his impressions, but when you do get his interpretations of facts, or view-point, there is no longer any quarrel. You may feel that he is wrong, but that is not enough. You must find out why, by getting his viewpoint.

"If we think of our individual businesses, as a separate and distinct property right, in which no one but ourselves has authority or interest, we shall cultivate and encourage a view-point that is prompted by selfishness, and which limits and confines our conception of the possibilities of our business, to the idea that it is a money-making machine and nothing else. But if we think of it, not only as an individual property right, but as a part of a great institution, we shall at least invite the qualities of mind that will enable us to recognize and grasp its bigness, its practicability and its beneficence."

State Officials Here.

Elmer Johnson of the state department of loans and credits was present and gave a short talk, and said he was confident the loan companies of the state were being given a square deal and that this department stood ready at all times to be of service to the companies.

A feature of the afternoon meeting was a comedy skit, in which Doc Peyton, H. E. Arnett of the Legal Loan company, and George Williams took part. At the conclusion of Mr. Wood's address, many practical ideas of office management were exchanged by managers from other cities.

At the noon luncheon, which was held at the Spencer Hotel, the members of the association, on motion of Robert J. Spencer, Jr., state chairman voted to buy a new flag for the local post of the American Legion for use on the flag pole in the court house yard.

The visitors were welcomed by Mayor George R. Daniels, members of the Twelve-Thirteen club and representatives of the civic organizations. Talks were made by Carl Houston, representing the Kiwanis Club, Jack Serviss for the Rotary Club, and Otto Reeder for the Lions Club. Louis DeWolf for the Twelve-Thirteen Club, gave a talk on municipal publicity. Willard Gemmill gave an address on the subject of "Loan Companies Under Uniform Law." Mr. Gemmill was the author of a bill to legalize and license the work of the loan companies, in 1917, which became a law without the signature of the governor.

Both morning and afternoon sessions were held at the Elks home on Boots Street. The morning session was taken up with a number of discussions on problems affecting the business, which were discussed by managers of companies at South Bend, Shelbyville, Indianapolis, Connersville, Terre Haute and Marion. D. C. Pence of the Welfare Loan Society spoke on "How We Keep Our Customers."—*Marion Leader-Tribune.*

Marion, Indiana, February 4th.

VIRGINIA.

Over the opposition of some small loan companies, the Senate Committee on Insurance and Banking March 7th reported favorably the so called anti "loan shark" bill, which has already passed the House of Delegates. Amendments offered by counsel for the lenders seeking to maintain the present rate of five per cent. a month on small loans were opposed by Alexander Forward, of the State Corporation Commission, and by Mayo C. Brown, of Lynchburg, patron of the bill in the House. At the conclusion of the hearing the amendments were unanimously voted down and the bill placed on the Senate calendar.

This measure, which reduces the legal rate to three and one-half per cent. per month on loans to small borrowers, is patterned, in the main from a bill prepared by the Russell Sage Foundation. The annual license fees are increased. The bill provides that a copy of the contract must, in the case of every loan, be given to the borrower, so that the lender may not claim any additional contractual provisions.

Neither husband nor wife may borrow on household furniture without the consent of the other. All fees or charges of any kind, other than the legal interest rate, are forbidden.

At the time this is written it is reported that this bill has also passed the Senate and is in the hands of the Governor.

GEORGIA.

The regular meeting of the Georgia Licensed Lenders Association was held March 3d, at the Ansley Hotel.

Members and associates present were: Messrs. A. B. Madison, J. B. Otey, Henry Maffet, B. L. Lassiter, R. F. Davis, C. Y. McCollum and H. M. Melton, which was enjoyed very much by all that attended.

A motion was made and carried that the Association furnish each of its members with a year book.

A motion was also made with reference to changing the name of the Association to the Georgia Lenders Association, which was tabled until the next regular meeting on account of the absence of some of the members of the association.

ILLINOIS.

Heading his report with the statement. *"Illinois State Association Meeting of January 27, 1922, A Big Success,"* L. T. Baker, secretary writes:

"The executive committee went into session about three o'clock at the Morrison Hotel, Chicago, and at four o'clock the business meeting was called to order by Chairman Snite, which continued to six o'clock.

"A number of matters of importance were taken up and disposed of, among which was the grievance committee, decided upon at our last meeting and definitely arranged for by recent executive committee meeting. A set of regulatory rules were presented by Mr. Napier and unanimously adopted. This grievance committee will be charged with the duty of handling and receiving complaints of any nature from our members and reporting their findings and recommendations in such cases to the executive committee. As a board of arbitration and balance wheel in our organization, it is expected that this grievance committee will perform important duties.

"Recently there has been much talk about a managers club of some sort in our Illinois Association, but a compromise was made at our last meeting by which a committee of three managers will be given the privilege and responsibility of arranging for the discussion of practical

(*Concluded on page 2.*)

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Correspondence and items intended for publication should be addressed to Geo. W. Kehr, 204 Chestnut St., Harrisburg, Pa.

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Secretary, G. W. Kehr, 204 Chestnut St., Harrisburg, Pa.
Field Secretary, H. G. DeWeese, 1948 N. High St., Columbus, O.

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Conn.—T. C. O'Brien, 113 Church St., New Haven.
Ga.—A. B. Madison, 103 Central Bldg., Atlanta.
Ill.—L. C. Harbison, 81 E. Madison St., Chicago.
Ind.—Robert Spencer, Jr., Grant Saving & Trust Co., Marion.
Iowa.—T. J. Harrison, 115½ E. 4th St., Waterloo.
Md. H. T. Mattingly, 322 Equitable Bldg., Baltimore.
Mass.—W. E. Pool, 63 Court St., Boston.
Mich.—F. E. Stroup, 507 Commercial Bank Bldg., Grand Rapids.
N. J.—J. W. Whitstone, Frost Bldg., Plainfield.
Ohio.—Col. R. V. Barto, Columbus.
Pa.—A. S. Ezekiel, 301 Denckla Bldg., Philadelphia.
R. I.—W. G. Wood, 268 Westminster St., Providence.
Va.—L. E. Pope, 706 Chamber of Commerce Bldg., Richmond.
W. Va.—H. L. White, 220 Schmulbach Bldg., Wheeling.
Unorganized States.—R. M. Rutherford, 175 Fifth Ave., New York.

COMMITTEE CHAIRMEN.

Auditing, H. T. Mattingly, 322 Equitable Bldg., Baltimore.
Finance, W. P. Woll, 337 W. Madison St., Chicago.
Law, F. R. Hubachek, Esq., 610 McKnight Bldg., Minneapolis, Minn.
Legislation, C. H. Watts, 1011 Chestnut St., Philadelphia, Pa.
Publicity, E. P. East, 175 Fifth Ave., New York.
Membership, J. H. Dyer, 404 Commerce Bldg., Columbus, Ohio.

The National Council is composed of the National Officers, Vice-Chairmen, and Committee Chairmen.

STATE SECRETARIES.

Conn.—H. G. McMullin, 757 Main St., Hartford.
Ga.—B. L. Lassiter, 215 Atlanta National Bank Bldg., Atlanta.
Ill.—L. T. Baker, 109 N. Dearborn St., Chicago.
Ind.—R. F. Hartz, 347 Bankers Trust Bldg. Indianapolis.
Iowa.—A. L. Whitmer, Iowa Bldg., Sioux City.
Md.—H. H. Larsen, 404 W. Baltimore St., Baltimore.
Mass.—H. J. Desormaux, 96 William St., New Bedford.
Mich.—J. A. Macbeth, 516 Penobscot Bldg. Detroit
N. J.—P. L. Alberse, Romaine Bldg., Paterson
N. Y.—R. M. Rutherford, 175 Fifth Ave., New York.
Ohio.—J. F. Anderson, Bushnell Bldg., Springfield.
Penn.—C. H. Watts, 1011 Chestnut St., Philadelphia.
R. I.—J. H. Wickstrom, 87 Weybosset St., Providence.
Va.—H. L. Keiss, 205 Wither Bldg., Norfolk.
W. Va.—F. H. Withrow, 27 Arcade, Charleston.

ILLINOIS.

(*Concluded from page 1.*)

subjects at our next quarterly meeting, which will be held the last Friday in April.

"The Illinois managers are very much enthused over this proposition and it is expected that they will arrange such a peppy program that besides being interesting, it will be actually exciting.

"After the report of the chairman of our regular committees, Mr. Woll Chairman of the Finance Committee of the National Association, made a strong plea for our members to pay the maximum National dues of $100 promptly February 1st.

"The Chair then was authorized to appoint a committee to submit drawings for an emblem of our State Association to be used by our members on their stationery.

"Recess was then called until 6:30 at which time dinner was served in an adjoining room to 62 persons, including a number of ladies and Miss Pearl Cartmille, State Examiner and Ellis I. Levitt, Vice-Chairman of the Iowa Association as visitors.

"During the dinner hour two young ladies entertained us with music and singing, assisted by the Illinois quartet, composed of Messrs. Steimle, LeClaire, Oxingham and Weinschenk. These boys did themselves much credit as song-birds and so enthused the audience that they could not refrain from joining in on the chorus. The dinner hour was, therefore, very enjoyable to all, unusually so in respect to the good, friendly, congenial spirit which prevailed.

"Immediately after coffee, our National Chairman, W. G. Wood, although he had been confined to his bed by illness since his arrival in Chicago, came down to our meeting room and with great discomfort and personal inconvenience, made a most impressive talk, delivered in the oratorical fashion for which he has an enviable reputation. There are few men among us who would be conscientious enough to follow so closely their sense of duty, were they called upon to do the things which Mr. Wood is doing under the existing circumstances. It is very evident that our National Chairman is taking seriously the responsibilities of his office and executing them with a high degree of courage. A copy of the most excellent talk he gave us should be found elsewhere in these columns.

"Following Mr. Wood, we were favored with a few remarks from Mr. Hennessey Chairman of the Membership Committee of the Chicago Association of Commerce. Mr. Hennessey stated that he was very glad to be with us and made some complimentary references to the type of men who are engaged in the Industrial Loan Business.

"Next we heard from one of our staunch members, Mr. Arthur L. Weinschenk, with a very remarkable paper upon "Discretion in making collections." A copy of Mr. Weinschenk's paper should also appear in these columns.

"The remainder of the evening was given over to general discussion of practical, every-day subjects and many good points were brought out.

"After adjournment at 10 o'clock, there were many remarks made which would indicate that the meeting was sufficiently enjoyed to warrant a return visit from all those present at our next meeting."

USING PROPER DISCRETION IN MAKING COLLECTIONS.

ARTHUR L. WEINSCHENK,
Chicago Finance Co., Chicago.

This is an important part of the existing system in the Industrial Loan business; a part so readily overlooked, after once the account is created and yet just as important to the business and even more so, than any of its other branches.

"I see before me to-night a number of gentlemen who have belonged to our craft for a great many years and who, by genuine allegiance to the more noble principles of the business, continually strived to conduct each and every transaction so it would reflect, favorably, towards the uplift and betterment of the business—for years before the enactment of the present law, irrespective of the opinions of poisoned minds and poisoned press, their conscience was their guide—their moral rights were one side and their legal rights the other.

During those stormy days, which came to an abrupt end on July 1st, 1917, the heart and mind functioned as one unit with the better element of lenders, of whom nearly all are present this evening. Then, and now, business judgment and discretion were imperative in the making of loans; the lender was moved by a desire to aid the applicant, for the moment casting aside the question of personal gain; he realized that the average person seeking financial assistance entered his office with a heavy heart not disclosed by countenance or facial aspect and expression. Here then, the human and humane side of a business transaction entered into the negotiations and was just as important in its completion as the prospective pecuniary profit therein involved; this being the truth, the same human and humane principals, which played their important part in the transaction were entitled to be practiced during the life of the account and I would say, that with few exceptions, this was done; my old friends will agree with me that in their collections before July 1, 1917, they brought home forcibly the moral side of the obligation, leaving the laws then in vogue as a secondary consideration—and it is true that when many borrowers failed to take cognizance of their moral obligation, the legal rights of the lender were voluntarily thrown into the discards in many instances.

The evolution of the Small Loan Business is too well-known by all of us concerning the enactment of the present laws and regulations; my point to-night is to insist that that human and humane side of the transaction is no different to-day than it was before the passage of legal rates: and just because our State Legislature finally realized that the business was essential, was necessary, was requisite for public welfare and filled a nation-wide want, is no reason that any of us should take any advantage of so called legal rights and cast aside our moral and benevolent obligation to the borrower.

I do not accuse those engaged in our trade of practicing arbitrary methods—it is my honest opinion that the average lender endeavors to fulfill his moral obligations to mankind but I am rather fearful that many of us are too much inclined to lean upon our present law in justification for too much strenuous efforts in collections; true we have legal rights, as has the borrower; true the supervising officials require us to conduct our business according to the law now in vogue, yet in my humble opinion, the question of legal rights should become secondary to the moral obligations existing between borrower and lender and in pursuing collections, the human and humane principles should be borne first and foremost in

mind. I believe that our National and State organizations in their respective constitutions have laid stress upon the fact that our loans should be and are helpful; applications are taken, no doubt, with that idea in mind—collection of that loan should be conducted in the same helpful spirit that prompted its negotiation.

Search through all industries—that of banking, manufacturing, merchandising and professional and you will find that they are conducted along humane principles, irrespective of any law that might govern their respective vocations; a recent example, the Fort Dearborn National Bank. This institution was not alone taken over by the Continental and Commercial National Bank for pecuniary profit but also for the protection of each and every deposit—that *moral* obligation was the prime spirit that prompted this move of safety. Our good friend, Mr. Charles R. Napier, recently stated to me that he was lately informed that Marshall Field and Company did not average one law suit a day with all its enormous vast credits; why—because humane principles exist within their organization and the disposition on the part of its management to work in harmony with the debtor towards the pleasant and satisfactory adjustment of differences. This remarkable record must be the same in all large institutions, otherwise the courts would be taxed beyond their capacities. It cannot be disputed that in all walks of life, even including the jury and judge the moral side of questions have the tendency to bear as much weight as the law.

And I say that with us, diplomacy must be the better part of valor; unpleasant experiences naturally follow in exercising legal rights in collections but it might be possible that even these could be avoided if a few deliberate thoughts of caution be applied, when results might be the same or even far more satisfactory; none of us desire to deliberately relinquish our legal rights but I do contend that they should be secondary and of absolute last recourse.

We have been brought from a state of chaos and undeserving public and press prejudices, to the plane of respectability and into the classification of industries and we must, by every act and deed continue our efforts towards the constructive side, uplift and recognition; managers of lending offices in observing rules and regulations laid down to them by owners, are inclined to become too arbitrary in the exercise of their legal rights, completely forgetting the human side of the story; such unwarranted and uncalled for cases of bad judgment must not occur and especially not now; we are on the verge of having succeeded in passing the probation period; we expect recognition as respectable citizens to which we are entitled; we contend and rightfully so, that the small loan business is one of dire necessity, helpful and beneficial to the public—this being true we must in every instance, avoid using the law as a subterfuge for the prosecution of claims where proper nursing and moral arguments could accomplish the same results; even some debtors, no matter how hard or stubborn, are amenable to reason: it must be admitted that there are exceptions to this rule; that the world is made up of all kinds of people, some of whom have no sense of justice or equity—to this class the law naturally must be applied; however, until we have had a fair chance to convince the skeptical, the public and the press that our present system and our present rate is requisite for the safety of the borrower, we cannot afford to lean wholly upon our legal rights and ignore our moral obligations to society. Therefore, whether it means a loss or not, my suggestion is for all of us to first be human and humane in the matter of collections and to use discretion in their legal prosecution and to take losses gracefully, for after all the prevailing rate was extended for that purpose.

I have heard it said that nothing is worth while until it is wanted—now that we have it, let all of us do everything within our power, as business men and humanitarians to keep and retain it and show the world that the same kindliness and helpful spirit that prompted the dealings are practiced during their existence and that our legal rights are only resorted to when all other efforts have failed.

The business of small loans is a personal one of direct contact; as such it is human and should be humane, as I have stated herein and as such, collections of small loans should be conducted; if conducted otherwise, such tactics will play their part in the downfall of the business.

And when legal process is compulsory and imperative, proper methods may then be employed to complete its satisfactory and successful termination, when arbitration, diplomacy and reasonable judgment can play their part.

(Read at the meeting of the Illinois Association held in Chicago, January 27, 1922.)

NATIONAL CHAIRMAN'S ADDRESS.

Although ill, National Chairman Wood like the real soldier he is, mastered his pain long enough to deliver the following address at Chicago, January 17:

"It requires the language of a poet to do justice to this occasion and as I am just a mere practical man wedded to his business, I lack the facility of speech and the imagination essential, for poetic expression or fancy flights of rhetoric; therefore, knowing my limitations and admitting them, I must be content with congratulating you, for your good sense, in gracing this occasion by adding to it, the charm and the refining influence of the ladies and upon your good taste in assembling so much and so many types of beauty, in one gathering. Also upon the excellence of your dinner, your magnificent attendance and your exceptionally fine display of spirit shown here to-day.

"It is impossible to stand here before you and either resist or deny, a great, big, surge of satisfaction, just to look into your faces. The mere sight of you in such vast numbers is enough to bring an instantaneous realization that the spirit which animates you, is the same spirit which made progress possible and without which no progress would have been made; but I am rather surprised that I am included in your festivities and that I was asked here to talk, because I learned quite recently that when my previous talk, which someone labeled; "A trip from yesterday to to-day," was read here, that it nearly caused a riot among you and I have always understood that it was Chicago that decided that that speech was not fit to print for anyone, outside of our own circles to read; so with that information vividly in mind, when the question of coming out here was broached, by that human dynamo, Leslie Harbison, I consented without hesitation because I relied upon your hesitation, when the suggestion reached you as a body, but I had no knowledge then of the wonderful team work which you have developed out here nor of the astute diplomacy of your officers, or I should have been more careful and it was not until after that other human dynamo Baker—without any by your leave or if you please, kind sir—wrote that the date was all set that I was given any inkling that diplomacy was to be used, but I had let my self in for it so of course I accepted. Right then, but not until then, came the diplomacy. With that acceptance safely tucked away in his files, this rascally friend of mine deliberately clamps down the lid on my right of free speech, and writes me that my remarks must be,—not shall be or will be —but must be, confined within prescribed limits and I shall leave it to your judgment whether the language in which he told it, was encouraging or discouraging to a hard working plain citizen, anxious only to keep the good opinion of his fellow workers and retain their esteem and who has very little familiarity with either texts or sermons. I quote:

"You will come to us as the Reverand
Wood with the following text.
So live in your business activities
That when thy summons comes
To appear in a public character test
Thou goest not like a guilt stamped man
But soothed and sustained
With the absolute knowledge
That your business is legal
And your methods are ethical."

"So, my friends, with free speech denied and suggested thought substituted, I rely upon your charitable hearts to forgive me if I again slip or fail to make the grade, for I know that you will consider and credit the effort, even if you do not accept and relish what is said.**

"The only thing the matter with that text is that it needs revision so that it will read:
We live in our business activities
So that when our summons shall come
To appear in a public character test
We shall go forth joyful, jubilant
And ready, sure of the verdict
That our business is legal
And our methods ethical.

"And the time to revise it is right now, because the proper way to do anything is to get at it and the proper time to do it is immediately. To put it off, will simply rob time of its power and strengthen the habit of procrastination, which is in very many cases the only obstacle to accomplishment.

"We are half ready now, because with the help of such staunch friends, as we have here with us, together with some others who could not be here, we have already secured the legislation which makes our business legal, and we have all the regulations necessary to make our methods ethical and we shall be fully ready to go forth, in the stiffest time of

a character test after, but not before, the individual acquires vision enough to sense the possibilities which lie before us, and develops incentive enough to retain that vision, until all the forces in him, are directed and centered in an absorbing ambition, to set his business so far above reproach, and so far beyond attack, that no detractor will ever be able to detract again. ***

"We have the law with us. Now we want sentiment with us. And the only way that we can get it is to merit it by having the individual earn it for himself.

"Legality won't do it. Regulation won't do it. Neither will these splendid and willing friends of ours who have already done so much and made the future look so bright for us, do it. None of these can do it because the effort must come from within and not from without.

"Up to this point we have depended almost entirely upon agencies outside of ourselves and because of that fact, some of the individuals have remained where they started. The association has come through gloriously and is admitted to companionship in high places but some of the units of the association are still at the starting post and unless we can get them away from it, this struggle of ours for full and complete recognition will never be ended, because success in that direction will never be realized.

"It is a mistake to assume that we have been accepted at our own estimate of ourselves. The real truth of the matter is, that we simply have been helped and encouraged, in a movement which was recognized to have merit and we have been given an opportunity to prove, that our business is fundamentally right and that we are capable of conducting it in such a manner that it will remain right; and it should be a much easier task to do that, than it was to go out and get recognition for the movement in the first place. ***

"Ordinarily a new movement such as ours should have been slow in the beginning but if it is true, as every one who knows concedes, that we have made a wonderful progress in a short time, then our movement, which certainly has not been slow, is an exception to the general run and proves conclusively, that it is impossible to estimate the future or place any limit upon possibility.

"No man, five years ago, would have had the temerity to predict, our present status and no man to-day, is capable of predicting our future; because there are no prophets, when men are the masters of their own destinies. And that's precisely what we are, the masters of our own destinies.

"We can go forward, with a vision that will mould and control our acts and impulses, so as to invite and attract public attention and win public approval, or we can go forward with no vision at all, and lose the only opportunity that we shall ever have to gain public approval.

"But don't make any mistake about where the effort must begin and end and don't have any doubt about why it must begin, because there is not, and must not be, any question as to where and why.

"No one, outside of ourselves, can help us in the things we have to do, nor can anyone prevent our doing them, if we *will* and *desire* hard enough to do them. ****

"Social recognition for the loan man—at least enough social distinction to have him recognized and accepted everywhere, as a decent and respectable citizen, fit for anyone to cultivate and associate with, will be limited *only*, by the tardiness or the inability of the individual, to win for himself, the same measure of confidence and faith and goodwill, as has already been given to the association, because no one is interested in denying us any place that we can make for ourselves.

"So, my friends, it is not knowledge or wisdom or experience or methods or forms that is needed, but just a correct mental attitude of every man, toward his business and its patrons and a constant application of all the forces in every man to an endeavor to give a service that must result in satisfaction to the borrower. When we do that it will not be necessary to think of methods and forms or ethics and ideals or anything else, because with that attitude dominating our conduct, the motive is absolutely correct and correct motives generally bring good results.

"Now I want to close with two statements:

Unless we go forward in harmony with the new idea of service—equitable and considerate service—which is pervading the whole world to-day, we are riding for a fall because,
The real test of our necessity
And the final proof of our worth
Will be found in the kind of service
Which we as individuals render the public.

"And here's the other one:

"If we cannot get the correct mental attitude we are hopeless.

"If we lack the urge to make the effort, we do not belong in this movement at all and are misfits.

"And if we have the urge and do not accomplish our purpose we are incompetents.

"Because it is not impossible of accomplishment."

IOWA.

To prove that the meeting of the Iowa Association held in Sioux City, January 31, and February 1, was a great success it is only necessary to call our readers attention to the favorable newspaper publicity which appeared in the daily press and to reprint some of these articles.

On January 31, the *Sioux City Journal* ran on its first page under the caption "Banks Should Not Make Small Loans" the following: That the making of small loans is entirely outside of the province of the bank, and should be dealt with only by loan associations, is the opinion expressed by J. J. Large, president of the First National bank, in a talk at the semi-annual convention of the Iowa Industrial Lender's Association, which opened a two-day session at the Martin hotel this morning.

Because of the large risk involved in making small loans on chattel security the interest rate must be higher than that which the banks charge. It is the legitimate province of the loan association to lend to small borrowers. Mr. Large said.

Loan Act Defined.

An interpretation of the Small Loan act was given the members of the association this morning by W. O. Reed, deputy superintendent of the state banking department, who said that the loan companies had been placed under the state banking laws to protect people borrowing in small amounts on chattel collateral against infractions of the law in the matter of overcharging of interest.

"During times of depression and unemployment, the number of small borrowers is greatly increased," said P. B. Atchinson of Davenport, in a talk on the effect of unemployment on the loan business, "and it should be the aim of all associations to care for these borrowers. In such periods of unemployment, we must follow a policy of patience in making collections and must often let loans slide until normal times have returned."

Coöperation is Needed.

The need of coöperation among money lenders, not only between one association and another, but between the association and civic, and other business organizations, was emphasized by B. E. Henderson, of Chicago. Mr. Henderson pointed out that anything which makes a city better commercially, economically or socially will in turn benefit the loan company and hence it is the duty of the company to help in bringing about these civic changes.

The delegates to the convention were entertained at luncheon at the Martin hotel as the guests of the Mutual Loan company, the National Loan company and the Reliable Credit company, of Sioux City. A dinner will be given by the Provident Loan association, of Sioux City, to-night at the Martin hotel, after which Hon. A. W. McFarlane, speaker of the state house of representatives, will speak.

The final session of the convention will be held Wednesday morning at 10 o'clock, when a revised constitution will be submitted and voted upon and the matter of a national convention discussed.

On the same date another local paper published on its first page this article heading it, "Money Lenders Seek Confidence": The relationship between banks and the small loans of professional money lenders; the desirability of lenders to coöperate with state banking departments and the necessity of acquainting the public with the new type of money lender developed from legislative supervision and regulation, were the outstanding topics discussed at the semi-annual gathering of the Iowa Industrial Lender's Association at the Martin hotel to-day.

About 25 licensed lenders from points throughout the state were at the opening session at 10 o'clock this morning. Following an address of welcome by Fred L. Hutchins, president of the Chamber of Commerce, the program was devoted to a series of addresses.

Principal speakers were: W. O. Reed, of Des Moines, deputy superintendent of the state banking department; J. J. Large, president of the First National bank; B. E. Henderson, of Chicago, and P. B. Atchinson of Davenport, Ia.

Service Valuable, Explains.

In describing the small loan act as a new branch of the state banking de-

partment, Mr. Reed emphasized the object of the act to be that of protecting the borrower in small amounts with chattle collateral against infractions of the law through overcharges of interest.

The rate permitted under the act to the small lender is much higher than that permitted to be charged by the banker because of the greater risk, he explained. Bankers do not find it practicable to loan the people's money on such security, he said. Money lenders, on the other hand, do not receive deposits, hence they loan their own money at the greater risk of the ordinary security, he explained.

Mr. Atchinson declared that during depressing times like now, money lenders are doing a good service by taking care of the small borrower. Although the present unemployment has created a large volume of business, the losses are more and larger and the collections poorer, he said.

Banquet To-night.

Mr. Large pointed out the necessity of banks keeping out of the small loan end of the business, as they were better equipped to handle and in fact the only type institution available to take care of the necessary bigger loans.

A. W. McFarlane, speaker of the Iowa House of Representatives ,and Rev. J. R. Perkins, of Council Bluffs, formerly pastor of the First Christian church here, will give the feature addresses at the banquet at the hotel to-night at 6:30 o'clock. T. J. Harrison, of Waterloo, chairman of the state association, will preside. The session will close Wednesday with the consideration of a revised constitution and bylaws and selection of delegates to the national convention.

Heading its article February 1, "18,824 Borrowers Served" the *Journal* said:

Small loans to 18,824 persons, aggregating $1,436,278 during the year 1921, were made by the 40 or more companies forming the Iowa Industrial Lenders Association.

This announcement was made at the Tuesday afternoon business session of the association's semi-annual meeting. Total capital stock of the member loan companies is $814,734.42. The convention closes to-day.

Financial conditions indicated by the statistical exhibit were viewed as decidedly encouraging by members of the association participating in the discussion.

A number of short papers on various subjects covering the loan and financial field were read during the day. The industrial lenders association was regarded by W. L. Glessner, of Cedar Rapids, Ia., as being upon the same legal protective basis as the big moneyed banks. He asserted the companies conducted a legitimate business, based upon the state laws, and the rates of interest are perfectly fair, all things considered. To continue the present business and achieve success in the immediate future all that is necessary is to follow the line of action mapped out, concluded Mr. Glessner.

The Poor Man's Bank.

All agree the loan companies have come to be recognized as the poor man's banks, said P. B. Atchinson, of Davenport, Ia., in his paper entitled "How Does Unemployment Affect the Loan Business?"

"I mean the man not in destitute circumstances, but those who must work for a salary," continued Mr. Atchinson.

"We are the bankers for these men needing small loans ranging from $5 to $300 and who can repay them in small monthly payments. These men could not borrow from the banks on the security we accept."

Guests of the Sioux City Provident Loan Association at the dinner tendered at the Martin hotel pronounced the event to be one of the most edifying, amusing and instructive functions of its character that they had attended. The toastmaster was T. J. Harrison, of Waterloo, Ia.

Rev. J. R. Perkins Speaks.

Special interest centered in the address of Rev. J. R. Perkins, of Council Bluffs, Ia., former pastor of the First Christian church of Sioux City, and in the talk made by Hon. A. W. McFarlane, of Waterloo, Ia., speaker of the House of Representatives of the Iowa General Assembly.

Vocal music was supplied by Mrs. S. P. Carney, who received several encores, to which she responded, and Edward L. Isaakson, who gave several solos, Mrs. Mary H. Dow serving as accompanist. Selections were played by the Martin hotel orchestra.

Rev. Mr. Perkins' address on "The Mission of the Money Lender" envoked applause with the banqueters standing. He quoted the text "do good and lend" from the "Sermon on the Mount." To lend in the pressing hour of another man's need is the most gracious privilege of life, said the speaker.

"The whole question of industrial loans and interest is a weighty one," said Rev. Mr. Perkins. "We should guard against excessive interest rates, for a stabilized business cannot rise out of high interest. Collapse to the steady and legitimate line is bound to follow. Reversing the words of Jesus to 'lend and do good,' is a commandment of religion that is of great significance to business. Here is the recognition that we cannot get along without one another. You are essential to me and I am essential to you. Happy is that social order that makes this discovery and follows this law."

Reviews History.

A short history of the loan business and Iowa legislation bearing upon loans was presented in the address of Mr. McFarlane. He said the loan man is a necessity to-day not only in the bank, but in a small way to hard-pressed people financially.

Mr. McFarlane referred to high freight rates and other matters that were objectionable. He presented statistics concerning Iowa. He said 98.4 per cent of Iowa soil is productive and that Iowa has more days of sunshine in the year than California. "Iowa has the highest percentage of wealth." Mr. McFarlane said. "We have 600,000 automobiles and spend $50,000,000 annually for gasoline. Iowa is the only state with 5,000,000 hogs on the farms and produces 75,000,000 dozen of eggs yearly. Average value of farm land is $199.52 an acre."

B. E. Henderson, of Chicago, entertained the guests with a short address in which wit abounded.

"Modern Lenders Good Samaritans" said the *Sioux City Tribune* February 1 carrying the following article: "Five or six years ago the newspapers bore the headlines, 'Loan Sharks Must Go,' for society at large knew that these men were not doing a legitimate business, but the times have changed, and thanks to the banking laws recently enacted in Iowa as well as in other states the money lenders have placed the loan business on until people look upon the loan men as a par with every other legitimate enterprise a necessity which is only fitting and proper. A. W. McFarlane of Waterloo, Ia., Speaker of the Iowa State House of Representativces, told 150 members of the Iowa Industrial Lender's association and their wives at the Tuesday evening banquet of the semi-annual convention at the Martin hotel.

"Bankers have hated to dally with the small loans by which hundreds of impoverished families could be fed, clothed and doctored, and as the loan institutions are doing that good for the community they are to be commended for it," Mr. McFarlane said.

"I am back of the laws which have brought about these bettered conditions at least until something better can be shown."

Distribute Code of Ethics.

E. C. Wollcott, a Sioux City insurance man, gave a short talk on money lending along the same channels. T. J. Harrison, of Waterloo, Ia., chairman of the association, presided as toastmaster. The speaking was interspersed with vocal solos by E. L. Isaakson and Mrs. S. D. Carney, accompanied by Mrs. Mary Dow.

Copies of the Code of Ethics of the Rotary club, written by Rev. Mr. Perkins, were presented to the guests as favors, through the courtesy of A. L. Whitmer, secretary and treasurer of the association.

The relationship between banks and the small loans of professional money lenders; the desirability of lenders to coöperate with state banking departments and the necessity of acquainting the public with the new type of money lender developed from legislative supervision and regulation, were the outstanding topics discused at the gathering Tuesday evening at the Martin hotel.

The *Tribune* said "Iowa Loan Men Elect Officers" February 2 and gave this information:—T. J. Harrison, of Waterloo, Ia., was elected chairman of the Iowa Industrial Lenders Association at the Wednesday afternoon association and closing session of their semi-annual convention at the Martin hotel. Ellis I. Levitt, of DesMoines, Ia., was chosen vice chairman of the organization, and A. L. Whitmer, of Sioux City, was elected secretary and treasurer.

That a membership in the association is an asset to any of its members can clearly be shown by the effect of attending a state convention, Mr. Harrison told the members at the afternoon session in discussing "What Can Be Gained by Attending a State Convention."

The members come to these meetings and in discussing mutual problems return to their places of business with new thoughts and ideas which they supplant for the worn out older customs which have been outgrown in this day and age of business, Mr. Harrison said. The

value of the spirit of coöperation and aid gained at these conventions is hard to appreciate or estimate, he asserted.

At the Tuesday evening banquet of the Iowa association at the Martin hotel given under the auspices of the Provident Loan association, and to which bankers, lawyers and other business men of the city were invited, members of the Iowa organization presented Mr. Whitmer with a Masonic charm emblem as a token of their praise for the manner in which he had arranged the convention and entertained the visiting delegates. B. E. Henderson, of Chicago, made the presentation.

The next semi-annual convention will be held at Cedar Rapids June 1, according to plans made Wednesday at the closing session. The annual meeting will be held at Des Moines early next year.

The following men were elected to serve on the executive committee in conjunction with the officers of the organization: L. L. Evans, Council Bluffs; E. V. Fullmer, Davenport; M. J. Collins, Fort Madison, and W. L. Glessner, Cedar Rapids.

Except for the inability of National Chairman Wood to keep his engagement on account of illnesss the program of the meeting as announced in our January issue was carried out.

WOOD'S MESSAGE.

The address which Mr. Wood prepared for the occasion was read and is as follows:—"It is an honor, which I appreciate to the full, to stand here before you as the head of your National Association, in which you take so much pride as to have 100% membership and it is a privilege indeed to have been asked here by you to talk. No man could be unmindful of either the honor of the office or the compliment of the invitation, unless he was too selfish to be appreciative, or too indifferent to take any interest in the objects sought, and therefore not in harmony with his fellows in the pursuit of a common purpose.

"When a common purpose is pursued by mankind the whole world is kin and when one class of men manifest an interest in a common object every man in that class is a brother and the whole should make a family, so united in thought and desire, that not one member (even the one least worthy) could do anything, positive or negative, that would not either advance or retard the interest of that family. That's why I am here. Not because I have capacity for the high office, nor because of ability as a speaker, to compensate you for the invitation, but merely because I am a member of our family and therefore must make the best effort I am capable of, for our common good.

"I have no doubt, from what I have heard of the Iowa association that every one of you has exactly the same conception of duty to both your association and to each other and that each one of you feels, under the same obligation, for I understand that you all admit the benefit which has come from your union and that you are already enjoying the rewards, which have resulted from your efforts. You can understand then from your own experience what I mean when I say, that ours is the satisfaction which comes from effort rewarded; which fills the whole being and consciousness, with a sense of pride and a surge of satisfaction for both the effort and the achievment. * * * *

"I was given to understand, gentlemen, by our mutual friend, Mr. DeWeese, that when I came out here to Iowa, I was first to compliment you on two things and after that I could say what I pleased. Now I don't know whether DeWeese has felt that that was the only safe way to proceed or not, but as he knows you better than I do I shall follow his advice. He thought, and I agree with him, that you deserve great credit for your ability in getting the uniform law in its entirety and for your loyalty and support, for the movement in general, by giving 100% membership to the American association. The first of these I understand is a unique distinction and the second is not equalled by many. So if that will satisfy Mr. DeWeese's demand, I shall proceed with a more difficult task of saying what I please. * *

"If you were an old association like Indiana or Illinois (instead of an infant six months old) I could say almost anything and you would be neither shocked nor annoyed nor impressed by it, for the chances are you would not hear more than half of it anyway, and if the neighbor at your elbow was pretty and charming I am quite sure that you would not hear any of it, so your youth, which is always impressionable, makes me realize that I must be careful and reserved in my statements.

"In all talks there is a choice of three periods to talk about; The past, present and future, but as I am not old enough, myself, to be looking backward to find solace in reflections, I know that you are not. That will be justified when we have no more to look forward to,—so after a brief reference to the past and a light touch on the present and its opportunities my talk will be of the future which is more worthy of your hopes and your aspirations, both of which, from the fact that you have formed this association, I know you possess.

"You have already gone far enough to have realized that any body of men desiring influence, power or recognition, as a class, must first become a unit of thought and action and that power, prestige, influence and authority for any class, can be derived from union only. If you had not recognized or sensed this truth there would have been no association, consequently no constructive law giving the supervision and regulation which has legalized your business.

"I assume that you have also gone far enough, to have caught up with the rest of us in the realization, that the result of organization and legislation is a better world for the loan man to live in and that success in just those two directions, organization and legislation, has dissipated the murky atmosphere of secrecy, silence, fear and evasion and has abolished the objectionable conditions, which we inherited from our ancestors and which contracted the heart and mind of the loan man and prevented the expansion of either. Without organization no man would ever have been big enough or strong enough to pull off the shackles which prevented his growth or pull out from the conditions which surrounded him unless he pulled out from his business also, nor would he have been able to secure, alone, the legislation to abolish those conditions, so because of his inability to either pull out or change he was judged by the character of the worst and condemned, irrespective of individual merit.

"Just five short years of legislation and regulation, the result of organization, has given us a fuller, freer, easier place to breathe in and has changed the impossibilities of yesterday into realities of to-day. And the further good that will come from this association of individuals will be measured by what you will and demand shall come from it.

"If so much could be accomplished from the vision of a handful of men and the effort of those few who had that vision, and against even opposition within our own ranks and with no reputation at all to start with, how much can be accomplished, now that we have a standing, if we compromise and harmonize our differences of opinion and become solidly united in the pursuit of our objectives; and how can we attain those objectives quicker, or give a greater impetus to our forward movement, than by concentrating all our efforts, and consecrating ourselves to an endeavor, to raise the standards and ethics, of the individual in the conduct of his business, so that the weakest link in our chain of individuals will survive the stiffest kind of a character test.

"Therein is our future, because, our business will be justified by the demand for its service. Our conduct of the business will be sanctioned, by the quality of service we give and our place in finance will be determined, by the character we clothe our business in. * * * * * *

"The net result of all our efforts, reduced to its simplest terms is, that we have purged the business of its worst evils, changed the conditions which were most objectionable and established our association firmly in the estimation and approval of the official world, wherever we have contracted it, but instead of being finished after all that we are only ready to begin.

"We have the business legalized and regulated. Now let's refine it. * * * *

"We want to make it impossible, for any man to ever again be able, to attack our business on moral grounds and we can do it, if we can only direct the whole forces, in every man in our association, to a common goal and to concentrate every effort, into one groove and channel, all pulling and working one way and for one object, because we shall then have an organization of individuals, capable of right thinking and right conduct and consequently capable of action and capable of results. Capable of anything necessary for our business, but we must have unity of purpose or we shall not get any further than we are right now, for if we are ever to reach the height, that our real selves are capable of attaining, it must be by the effort of the individual and not by the further vision and effort of our officers and desire alone will not get us there. It will take determination of the sternest kind for neither your officers nor your association can pull you up, but you can tie them up. * * * *

"So, my friends I admonish you:

"You cannot build a substantial house with rotten planks. Neither can you build a business worthy of recognition in the financial world on poor scrawney ideals or no ideals at all.

"But we don't want to practice ideals. We must live them.

"You have two courses you can follow. First you can rely upon the organization and assume that it will carry the individual or you can adopt the theory that the individual is the real factor and the organization, simply a medium through which the individual can gain power, prestige, influence and authority as a class.

"If you adopt the former you will ignore the history of the past events, but if you adopt the latter, you will avoid the early mistake and loss of time made by some of the other state associations.

"But there is one thing you must do immediately if you desire real progress and that is to kill the tendency of the individual to feel, that he has no more to do, than contribute his financial and moral support by paying his dues and subscribing to the declaration of principles, and that when that is done his duty to the association and himself is done. Just so long as he retains that view-point he will never be of any use to you. He will be of help, yes, but you cannot use him as a yardstick to be measured by, for if that is the length of his vision then his ambition is dead, or never existed, and he has no inclination or desire to improve conditions, which are created and practiced by himself and never will have, while he retains that attitude, nor until he has been made to realize the ultimate good which can be derived from the pursuit of a high purpose. * * * *

"Financial and moral support are essential, certainly, but the effort that will be of supreme importance will count the most, because it will prove the claims of virtue and righteousness, which we have been making for you, is the effort the individual can make, if he will, to develop in himself and bring unto his business, standards and ethics, which will raise that business to a plane of respectability, that will make it acceptable to, and recognized by all mankind, as a necessary and equitable service. That's the effort that will put you on your feet quickly and enable everyone of you to walk down the middle of the street, with your head in the air, inviting, instead of evading recognition, because you fear no man's opinion of either yourself or your business.

"When all of us are making that effort and living that ideal there will be no such thing as adverse sentiment. And my faith in the real heart of the loan man is so great that I have no patience with the idea that it cannot be done. It can be done and it will be done, but we must first get a common view-point, so that we can adopt rules of conduct that every last man of our association will subscribe to and practice and get right up on his hind legs and bark for. Then our problem is finished, because the requirements of our association will be so difficult to live up to that members in it will be equivalent to a certificate of good character."

POSITION WANTED.

Man with nineteen year's experience in the small loan business, with about twelve year's experience as manager of an office is open for a change in location. Address me care of this paper or at 106½ East Stephenson Street, Freeport, Illinois.

NEW JERSEY.

The annual meeting of the New Jersey Industrial Lenders Association was held at the Robert Treat Hotel, February 23d, with morning and afternoon sessions and a banquet in the evening.

The meeting was called to order by Acting Chairman Vogel. All the New Jersey members except eight answered roll call.

Minutes of the last annual meeting were read by the secretary. Minutes of the organization of the association were also read.

An address of "Welcome" was delivered by Theodore S. Fellinger, president of the Newark Tax Board which was responded to by Chairman Vogel.

The reports of the officers were read and ordered placed on file. Under standing committees the following reported: Legislation, C. H. Watts; Entertainment, A. J. Simonson; Publicity, R. M. Rutherford; Membership, Dr. C. G. Mueller; Executive Committee, Secretary, P. L. Alberse.

The following new members were elected: Citizens Loan Co., American Loan Co., Max Knoblach Loan Co., United Finance & Securities Co., and North Hudson Loan Co.

The chairman appointed Messrs. Zimmerman, East and Watts as a nominating committee which committee later placed in nomination the following seven members for the Executive Committee, all of which were later elected: A. J. Simonson, chairman: J. V. Long, S. H. Vogel, C. E. Mueller, Zimmerman, Rutherford and P. L. Alberse.

A recess was taken at noon when a convention luncheon was enjoyed by all those present.

The afternoon session opened with a report by P. L. Alberse, as delegate to the recent National Convention.

Dr. Mueller read his paper "Help Each Other." A representative of the New York Telephone Co., Mr. H. J. Carroll delivered an interesting talk on "Telephone Courtesy." Mr. Markheim read a paper on "Under What Conditions Should Foreclosures Be Made." Mr. Leon Kelber read a paper on "How to Educate Customers to Pay without Notice when Due."

"Proper Advertising Methods" was presented by A. C. Christensen. Mr. Irish explained "Works of a Clearing House Exchange." H. G. DeWeese, National Field Secretary delivered an interesting talk on "Relations between the National and State Bodies" and the advisability of membership in both organizations. Mr. Joseph M. Conklin, State Examiner spoke a few words and expressed his willingness to aid any licensee in the interpretation of the law.

Mr. Watts moved the suspension of the rules that election of officers might be held by the convention. This was unanimously agreed to and thereupon the following officers were nominated and elected for the year 1922: Chairman. S. H. Vogel; Vice Chairman, Dr. Mueller; Treasurer, J. V. Long of Jersey City and Secretary, P. L. Alberse of Paterson, N. J. All of the officers accepted their positions. Thereupon Chairman Vogel announced the following committee chairmen: Executive Committee, Mr. Simonson; Legislation, Mr. Watts; Entertainment, Mr. Irish; Publicity, Mr. East; Membership, Dr. Moeller.

A vote of thanks was extended to Mr. East's organization for the gratuitous printing of the by-laws for the New Jersey Association and also Community Finance Service, Inc., for the printing of the program.

Secretary was instructed to send a letter to National Chairman, W. G. Wood expressing regrets of the convention for his absence and hope for his speedy recovery.

It was voted that all bills in connection with the convention and banquet when O.K'd by the entertainment committee be paid by the treasurer.

Chairman, Vogel was appointed a member of the entertainment committee on the National Convention of the Association to be held in New York City, September 1922.

It was voted to hold meetings of the New Jersey Association every two months and the secretary was instructed to communicate with the National Secretary to ascertain when meetings in other states are held so that same will not conflict. It was voted that the next meeting be held at Newark.

Entertainment Committee reported and read Menu and Program of the banquet.

Secretary was instructed to send a letter of thanks to the retiring Chairman, Mr. Whitstone for his services to the Association while its head. A rising vote of thanks was extended to all the retiring officers and committees.

The meeting adjourned at 5 P. M.

In the evening at 7:30 the banquet that had been arranged by the Entertainment Committee was held at the Robert Treat Hotel.

Dr. C. G. Mueller acted as toast master. C. H. Watts responded to the toast "To our ladies."

Owing to illness, National Chairman, Wood was unable to be present.

An address was made by Ex. Senator, Charles M. Egan, father of the loan law of New Jersey, and also by Commissioner of Banking and Insurance, W. E. Tuttle, Jr. The address of both these speakers will be found in full in another column.

The diners were also entertained by music, singing and vaudeville acts and the entertainment committee headed by Messrs. Simonson and Zimmerman deserve a great deal of credit for their efforts in making the convention and dinner a great success that it was.

P. L. Alberse, *Secretary.*

MAN BORROWED $100 AT 10 PER CENT. A MONTH.

Owes $304,840,338,912,685 After 25 Years.

(By the Associated Press.)

San Jose, Cal., March 1.—When George Jones borrowed $100 for three months at 10 per cent. interest monthly on January 18, 1897, from Henry R. Stuart, he did not figure, perhaps, that the loan would lead up to a judgment against him for $304,840,332,912,685.16 in the Superior Court to-day. "Compound interest" is the explanation.

Stuart charged that Jones disappeared after the loan. He reappeared recently and Stuart brought suit. The court found for Stuart, named the figure and announced that it was the "only judgment it could return under the circumstances." It took the court and two accountants two hours to figure the amount of the judgment.

MY HARDEST SKIP.

JAMES C. LEWIS, PHILADELPHIA.

I have been asked to relate to you the conditions surrounding, and leading up to the locating of, what I consider my worst skip.

There are three classes of skips as I see them, ordinary removals, that are generally adjusted without much trouble.

People who skip, owing to adverse conditions, and in the beginning mean well, but think it best to hide until family finances are better. This class in many instances are so successful in hiding that it makes them dishonest and takes considerable time, thought and action to locate, but are eventually caught up with, since they are amateurs in this line. Sometimes, however, this type drifts into the worst class of skips.

The third class is the fellow who premeditates crooked methods, and uses this means of going from place to place, as a side line to his regular vocation, beating everybody he comes in contact with, and is dangerous. It is of the latter class that Spaghetti (who I shall call this fellow not only for convenience but to determine his nationality) belonged.

He was one of the most contemptible yet cunning fellows working the confidence game. It generally took him two or three years to accomplish his purpose, but he, in that length of time, made hauls that in the aggregate amounted to thousands of dollars. One of his many schemes was to purchase jewelry, pianos and so on from large concerns on time, paying for the same very regularly, thereby establishing an A-1 credit, using the money borrowed from loan companies and friends, to make prompt payments.

It would seen that his friends would have soon come to an end, but he had such a pleasing personality, and was such a good mixer, having the inclination to be 100% sporty that it was no trouble for him to gain the confidence of everyone he met, thereby working the endless chain system.

Owing to his popularity he eventually would be granted an agency for the firms that he had treated so well. Spaghetti then sold pianos and jewelry to his friends, for a reduced cash price, and represented to the merchant that the same had been disposed of on a credit basis. This not only temporarily liquidated some of his personal debts but gave him considerable cash.

He was wise enough to pay the firms, for which he was agent, monthly payments on articles sold by him. It is surprising to know that he sold as many as fifteen pianos, and at least $3,000 worth of jewelry, in one city, along these lines. When he reached this stage, in his confidence game, the next thing in order was to have the earth swallow up him and his family.

These were the circumstances when my people asked me to visit a distant city, and attempt to locate this bad actor who was indebted to them in the amount of $224, and had then been a skip for a year.

There were warrants issued for his arrest, detectives had searched for him, and in fact it would appear that the city had been well combed for information as to his whereabouts.

I can yet recall the pessimistic expressions on the faces of the manager and employees when I stepped into their office and they learned my mission. Having worked so hard on this fellow they had about arrived at the "can't be done" attitude, but let it be said they gave me every possible assistance.

There are four essentials in the locating of a skip. Two of the mind, namely, an everlasting persistency and an unwavering determination, also two that has to do with the expense account, time and money.

With these four absolute necessities at my command I went to work. Time does not permit me to have you gentlemen follow my every footstep (of which I have a record), but allow me to briefly state that upwards of 400 calls and interviews (some of which were made in the wee hours of the morning) covering a radius of 350 miles and consuming six days and nights at different times, also the expenditure of approximately $50 was necessary before Spaghetti was eventually caught up with.

A synopsis of the many calls made may interest you and are as follows: nine neighborhoods were canvassed in four cities including the renowned Greenwich Village in New York City, friends, enemies, relatives, creditors, including piano dealers, jewelers and individuals, lodge secretaries and treasurers, both American and Italian, insurance superintendents, agents and attorneys were interviewed. Priests were asked to assist. Childbirth and christening records were searched. God-mothers and God-fathers were also interrogated.

Italian Consuls, tailor unions, political and private clubs, postmasters and mail carriers were asked. A special canvass of children and schools were made. Photographers, police chiefs, lieutenants, patrolmen, the rogues' gallery of New York City, the Italian detective squad of New York City, clothing factories, interpreters, undertakers, ward leaders, landlords, and real estate men, were asked for assistance. Cabaret managers, burlesque theater managers and chorus girls all gave their assistance. Twelve registered letters were forwarded including one to the Prefect of Police of an Italian city.

After covering all this ground without getting a definite line, I felt somewhat obligated to my firm and realized that a summing up or deduction time had arrived.

There were three people who I was positive knew Spaghetti's address. One a lady fortune-teller who denied all knowledge of him, and could not be bought or coaxed. Another a male sporting friend of Spaghetti's. I tried to get a girl who could speak Italian from a burlesque show or cabaret to mingle with this friend. I eventually found one who said she would try, but I afterwards learned that she was afraid of her life as this type of Italians are treacherous. The last was an Italian shoemaker who swore that he knew nothing about Spaghetti, but I did not like the way he expressed himself.

I could have informed the police as to my deductions, but I hesitated to tell them, knowing that they would bring Spaghetti back, and we then would have no possible chance of getting our money. I therefore again decided to go it alone. I retraced my steps and once more canvassed the Italian section in this distant city, very frequently mentioning the names and conditions surrounding the three people who had the desired information.

I did not have an interpreter at this time, but upon interviewing an enemy of Spaghetti's (who I had often times talked to before) he, in broken English, mentioned one word that eventually led to the location of this schemer, this word being "letter." I immediately secured the services of an interpreter and learned that the shoemaker, before referred to, had been receiving letters from Spaghetti. I forced my informant to interview the shoemaker in my presence, together with the interpreter, and with the threat of exposure to the shoemaker (as Spaghetti was a fugitive from justice), I finally induced him to divulge the address.

I then traveled to a city up the Hudson a considerable distance from New York City, locating Spaghetti. After feeling satisfied that he did not have the full amount, or could in no possible way get it, he signed a confession as to his former misdeeds, also an agreement to make large weekly payments, these statements being made before a notary and the chief of police.

The agreement to pay, covering the maximum amount, principal, interest and expenses. I am pleased to inform you that to this date $200 has been paid, or a little less than two-thirds of the maximum amount. There are also two people keeping a close watch on Spaghetti, the attorney who is collecting the money and the chief of police of this city in New York State. He is reporting to them once a week, and as soon as he makes a false move the police have agreed to get after him, and also advise.

While there is no set rule that may be applied to all skips there are four things very forcibly demonstrated in the locating of this bad actor. First, it does not pay to charge off or forget skips of a large amount too soon. Second, do not pass by the little things as they often times locate the hardest appearing skip, the one little word "letter" being the means of locating this schemer. Third, retracing your steps many times in the majority of cases pays. Fourth, last but not least, continually having the one great thought in mind which spells success in all lines, "stick-to-itiveness."

An address before the Pennsylvania Association.

"SKIP" SERVICE.

Here is a quotation from a recent letter received from the Blackstone Loan Co., Pawtucket, R. I.

"Sometime ago we received a letter from you in reply to one from us asking for the address of some lawyer in Gastonia, N. C. We placed the collection with Bulwinkle and Cherry whom you advised us. They were successful in finding our client with good results."

POSTPONEMENT.

The Michigan Industrial Lenders Association meeting scheduled for Lansing, March 22d has through necessity been put over until April 20th.

JAMES A. MACBETH, *Secretary.*

OFFICES WANTED.

A fast growing national industrial loan corporation is in the market to buy offices. If you have anything to offer, address Box 778, Harrisburg, Pa.

APR 17 1922

INDUSTRIAL LENDERS NEWS

Official Organ American Industrial Lenders Association Which Is a Member of the Chamber of Commerce of the U. S. A.

Vol. VI. No. 10. APRIL, 1922. Price, $1.00 a Year.

FIRST CALL!

This year's the year. Things will never be just the same again—and they will certainly never be the same for you—if you miss it.

The songs of the birds will be less sweet. Spring sunshine will lose some of its tenderness. The color of the flowers will be dulled; their perfume gone. The freshness will pass from the morning and peace will not be with you at night. Prosperity will frown on you; adversity will embrace you.

All this and much more, we guarantee, will happen to you; in fact life will not be worth living—if you don't prepare now to attend the greatest of all National Conventions ever held by the Industrial Lenders.

"The goblins will get you," also the fantods, not to mention the insidious, ring-tailed ornithorhyncus—if you don't bring your wife. And what's going to happen to you if you don't boost the convention in your city and state! Oh! Boy! It's too awful to mention! We certainly would not want to be in your shoes under such circumstances. It almost makes us tremble to think of it.

So you see there is nothing for you to do, if you want to insure your health, wealth and happiness, but to work for and work toward the greatest National Convention to be held in the world's greatest city—New York.

Talk about a three-ring circus. New York will make a twelve cylinder circus look like the back yard of a vacant house, when the Industrial Lenders hit town. Aside from the fact that the group of hosts declare it's to be the most vitally important business conference the A. I. L. A. has ever had, you can count on those in charge of entertainment to pull some headline stuff that will take your hair away and make your breath stand on end.

While the NEWS can't vouch for this, there is a rumor that, just to show the visitors a good time, the whole island on which New York is built is going to be towed right out into the ocean. And just to show that they don't call this so much of a stunt, they are going to put the Woolworth Building on wheels, turn the Metropolitan Tower upside down and use the Flat Iron Building as a "rubber neck" wagon. "My, oh my! What a time it will be.

But don't think it's all going to be fun; not by six hours real work each day. You are going to attend every session of the convention because there will be so much of interest to you, you will not dare miss it for a moment. You will want to do your share to make this gathering the most memorable in the history of our business.

The country is just beginning to pull out of one of the deepest mires of depression into which it has ever sunk; and it will be some time yet before we are back on solid ground.

The work in front of the Industrial Lenders of the country is not one of merely developing and advancing their own business; but one of doing all in their power, both as loyal citizens and reputable business men, to help return the country to sound prosperity. Questions relating to this gigantic task will be presented, analyzed, discussed and acted upon, during this convention.

And don't overlook the fact that the business methods found successful in 1914 are not going to be found so successful in the strenuous years before us. Many of the old rules of business, of all kinds of business, of manufacturing, buying, selling, distributing and financing are going to be changed before this country gets back on its feet.

Every such change will have its effect upon our personal business, for we have become too important a factor in the financial structure of the country not to feel its every deviation from a fixed course. Our increasing importance forces increasing responsibilities upon us. We are faced with new problems as well as with new responsibilities.

The Industrial Lender who neglects to attend this convention, that is scheduled for September 20th to 23d, is going to miss not only one of the best times of his life but one of the greatest opportunities to advance his own business.

Watch this column. You will hear more about the Big Meet next month. And while you are waiting for more news, get ready to attend and to do your part.

EDGAR P. EAST,
Chairman Publicity Committee
Flatiron Building, New York City.

March 29, 1922.

EDITOR OF THE NEWS:

In connection with the next convention of the A. A. which is to be held in New York City in September 1922, it occurs to me that there are a number of sights to be seen and places to visit that will be new to the majority of out-of-town people. In order to make the convention as successful as possible, I am taking the liberty of writing you and mentioning some of the many things that can be done for the entertainment of the guests which will be both entertaining and educational. If you will publish this letter in the next edition of the LENDERS NEWS it might bring some thoughts from others that would be helpful and possibly some things that I am suggesting should be eliminated and others which would be more to the liking of the majority substituted. Here is the list:

1. A night trip through Chinatown with guides.
2. A trip aboard a sightseeing yacht around New York Harbor to include a stop-over at Governors Island to see exhibition drills and aëroplane flights.
3. A visit aboard the Imperator or one of the war ships in the Harbor at that time.
4. Matinee or evening performances at the Hippodrome or the Capital Theater, the largest moving picture theater in the world.
5. A trip to the Woolworth tower.
6. Automobile trip through New York City, including a visit to the Bronx Zoo.
7. A visit to the Museum of Natural History, Museum of Arts, Stock Exchange, Wall Street District and the Cunard Building.

It is possible that all of these things suggested could not be carried out but if all the members of the A. A. from New York or vicinity would volunteer their services with their automobiles and make it optional as to who would go where, I am sure that the convention would be a real success from an entertaining standpoint. Very respectfully,

GEORGE HODSON, *Vice President,*
Beneficial Loan Society

NATIONAL DUES.

In spite of the numerous calls, all members have not yet paid their national organization dues which were payable February 1st. This appeal must be taken to mean only those members who have withheld their support up to this time. In this connection the National Secretary appreciates the effort recently made by the Illinois Association Secretary L. T. Baker, who addressed the Illinois members as follows:—

"I am in receipt to-day of a letter from the National Association Secretary, Mr. Geo. W. Kehr, 204 Chestnut St., Harrisburg, Pa., saying that he has not to date received check covering your dues for 1922 in the National Organization.

"Mr. Kehr, in addition to looking after his own business, has an almost unbelievable, large volume of association work to do and failure to promptly remit dues to him is indicative of a lack of appreciа-

(*Concluded on page 2.*)

INDUSTRIAL LENDERS NEWS

Established 1916.

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Correspondence and items intended for publication should be addressed to Geo. W. Kehr, 204 Chestnut St., Harrisburg, Pa.

NATIONAL OFFICERS, 1921-1922

Chairman, W. G. Wood, 268 Westminster St., Providence, R. I.
Treasurer, C. H. Stratton, Sullivan, Indiana.
Secretary, G. W. Kehr, 204 Chestnut St., Harrisburg, Pa.
Field Secretary, H. G. DeWeese, 1948 N. High St., Columbus, O.

VICE-CHAIRMEN.

Conn.—T. C. O'Brien, 113 Church St., New Haven.
Ga.—A. B. Madison, 103 Central Bldg., Atlanta.
Ill.—L. C. Harbison, 81 E. Madison St., Chicago.
Ind.—Robert Spencer, Jr., Grant Saving & Trust Co., Marion.
Iowa.—T. J. Harrison, 115½ E. 4th St., Waterloo.
Md. H. T. Mattingly, 322 Equitable Bldg., Baltimore.
Mass.—W. E. Pool, 63 Court St., Boston.
Mich.—F. E. Stroup, 507 Commercial Bank Bldg., Grand Rapids.
N. J.—J. W. Whitstone, Frost Bldg., Plainfield.
Ohio.—Col. R. V. Barto, Columbus.
Pa.—A. S. Ezekiel, 301 Denckla Bldg., Philadelphia.
R. I.—W. G. Wood, 268 Westminster St., Providence.
Va.—L. E. Pope, 706 Chamber of Commerce Bldg., Richmond.
W. Va.—H. L. White, 220 Schmulbach Bldg., Wheeling.
Unorganized States.—R. M. Rutherford, 175 Fifth Ave., New York.

COMMITTEE CHAIRMEN.

Auditing, H. T. Mattingly, 322 Equitable Bldg., Baltimore.
Finance, W. P. Woll, 337 W. Madison St., Chicago.
Law, F. R. Hubachek, Esq., 610 McKnight Bldg., Minneapolis, Minn.
Legislation, C. H. Watts, 1011 Chestnut St., Philadelphia, Pa.
Publicity, E. P. East, 175 Fifth Ave., New York.
Membership, J. H. Dyer, 404 Commerce Bldg., Columbus, Ohio.

The National Council is composed of the National Officers, Vice-Chairmen, and Committee Chairmen.

STATE SECRETARIES.

Conn.—H. G. McMullin, 757 Main St., Hartford.
Ga.—B. L. Lassiter, 215 Atlanta National Bank Bldg., Atlanta.
Ill.—L. T. Baker, 109 N. Dearborn St., Chicago.
Ind.—R. F. Hartz, 347 Bankers Trust Bldg., Indianapolis.
Iowa.—A. L. Whitmer, Iowa Bldg., Sioux City.
Md.—H. H. Larsen, 404 W. Baltimore St., Baltimore.
Mass.—H. J. Desormaux, 96 William St., New Bedford.
Mich.—J. A. Macbeth, 516 Penobscot Bldg., Detroit
N. J.—P. L. Alberse, Romaine Bldg., Paterson.
N. Y.—R. M. Rutherford, 175 Fifth Ave., New York.
Ohio.—J. F. Anderson, Bushnell Bldg., Springfield.
Penn.—C. H. Watts, 1011 Chestnut St., Philadelphia.
R. I.—J. H. Wickstrom, 87 Weybosset St., Providence.
Va.—H. L. Keiss, 205 Wither Bldg., Norfolk.
W. Va.—F. H. Withrow, 27 Arcade, Charleston.

NATIONAL DUES.

(Concluded from page 1.)

tion for the labor he does and the sacrifices he makes for the general good of the business at large and the individual operators. This is true because of the additional attention to detail matters these delinquencies cause.

"It is, therefore, earnestly hoped that you will immediately forward your check either through this office or direct to Mr. Kehr, for everyone who intends to continue in the Industrial Loan business cannot help but realize the great value and the benefit of the National organization and then too, the Illinois Association is very desirous of making a good record in respect to its membership and payment of dues in the National Association.

"Your financial and moral support is highly valued and esteemed."

HERE'S THE RIGHT SPIRIT.

DEAR MR. KEHR:

I am inclosing herewith our check for $50.00 as a semi-annual payment to the A. I. L. A. I will remit another $50.00 in August.

This is considerably more than a dollar per thousand on our investment but I think we should all pull together to give the A. I. L. A. sufficient funds to carry out the work they are doing for the Lenders and I quote from Mr. Heywood in your February number "That self-preservation is the first law of nature and we want the business preserved." Kindly acknowledge receipt.

Very truly yours,
Model Loan Company,
W. R. HANCOCK, *Manager.*

March 23, 1922.

ILLINOIS.

I should like to suggest at this time that you make an announcement that the next meeting of the Illinois Association will be held at the Hotel Morrison, Chicago, Friday afternoon and evening April 28th.

The meeting will probably be convened at three o'clock in the afternoon and a business session held until 5:30 with recess until 6:30, then a dinner with entertainment in a private dining room until 8 o'clock, after which we will have an address by Mr. G. W. Farrington of Indianapolis followed by a general discussion of practical subjects, program for which is being arranged by a managers' committee appointed for that purpose at our last meeting.

We should like with our next meeting to start the practice of inviting and urging a large attendance from the members of neighboring State Associations. This can be done through the NEWS columns in conjunction with a letter from the host state secretary to the secretary of the other states to be distributed among his members.

As stated to you before, it is my opinion that if a National Association is worth attending, a State Association is also of value and interchanging attendance should be encouraged. If you feel so inclined, therefore, your coöperation along this line will be appreciated.

I note what you say regarding the 1022 National Convention to be held in New York during September and with Mr. E. P. East heading the arrangement committee, together with the facilities which New York affords and the enthusiasm, ability and financial resources of the Eastern crowd, I am sure that the most exaggerated expectations will be exceeded.

It will certainly take something very serious or important to prevent my attending and present plans are to drive through in which case we shall be very glad, indeed, to accept your kind invitation to stop over in Harrisburg enroute to New York. L. T. BAKER, *Secretary.*

VIRGINIA.

Governor E. Lee Trinkle signed the amended uniform small loan bill introduced by F. B. Richardson, Chief Examinor of Banks, March 20th, thus squaring up the Virginia law in all essential respects with the Uniform Small Loan Laws of the other states which have enacted it since 1917.

As introduced the bill passed the House March 3d, and the Senate March 10th, without opposition or amendment.

The rate permitted by the amended law on loans of $300 or less is now limited to 3½ per cent. per month and is to be computed on unpaid daily balances.

NATIONAL EQUITABLE CONVENTION.

From reports reaching this office, one of the best conventions ever credited to a member of the American Industrial Lenders Association, was that held March 20, 21 and 22, at the Home Office of the National Equitable Investment Company, New York. All the managers of the Company's branch offices were called in for the meeting.

From the time the first session opened, until the men hurried off for the trains which carried them back to the several states and many cities where they were to put their new ideas and renewed ambition to work, the convention went forward with a rush.

Beginning in true convention style, as soon as the first session was called to order and words of welcome delivered by officers of the company, Mr. S. B. Lynd, President of the Industrial Bank of New York, made an impressive address on the development of finance, bringing out the fact that it is to-day the strongest thread in the commercial fabric of this country.

Mr. Lynd spoke of how, for centuries, anyone engaged in the banking business was looked upon as a "Shylock"; and that only the great service of the banks over a long period of time was able to disabuse the mind of the public in this direction. He then paid a hearty and sincere tribute to the work now being accomplished by the Industrial lenders. He referred to the vital importance of the industrial lender's system of credit open to that vast body of the people who are outside the reach of the national banks of discount and deposit. He said that worthy and trustworthy people had often come to him in times of need and that he regretted the machinery of their organization made it impossible for him to render the service these people required and deserved.

One of the most interesting features of Mr. Lynd's address was his remarks concerning character. He said that character comes first in importance when making a loan, because no matter how much money a man may have, no matter how great may be the resources back of him or how great his capacity for earning money, without character, he is a bad risk. In concluding, Mr. Lynd again referred to the fine work done by recognized industrial lenders, and how this service was of value, not only to those to whom loans were made, but also to the entire country in that it helped to maintain the economic independence of thousands of workers and taught them the value of establishing a credit standing.

Advertising was discussed at some length at one of the sessions and it was the unanimous opinion of the managers that the growth and elevation of this business must depend to a large degree upon the quality of educational publicity issued by industrial lenders.

Much of the time of the convention was given over to discussions of the most acceptable methods for handling routine business and of defining standards of practice. Some lively arguments were started and frequently humorous incidents brightened up the serious study of the best methods for increasing coöperative effort.

INDIANA.

Plans for the sixth annual convention of the Indiana Association are in the making as may be noted by the following announcement from Secretary R. F. Hartz:—

"To members of the Indiana I. L. Association.

"This is the first announcement of the sixth annual convention of the Indiana I. L. Association to be held in Indianapolis May 17-18th.

"It has been considered advisable to hold a two-day convention at noon Wednesday May 17th.

"Luncheon will be served at the expense of the Association at noon on the first day.

"The first afternoon session will be devoted entirely to a discussion of practical subjects relating to the actual operation of an office. The evening program will include a banquet and prominent speakers who will be announced later.

"The following morning will be taken up with a business session including the election of the officers and other matters pertaining to the association. The balance of the day will be a resumption of the first day's discussions.

"It is presumed that no other meeting will be held until November, hence the importance of covering two meetings in one.

"This is merely an outline submitted by a committee on arrangements and subject to your approval.

"This is your meeting—we want your coöperation and suggestions.

"It is necessary therefore that you fill out the enclosed card and mail not later than March 30th.

"We are awaiting your reply—*thanks.*"

MARYLAND.

Minutes of March 14, 1922 meeting held in the Board Room of the Merchants & Manufacturers Association.

Meeting was called to order by Chairman Mattingly.

Reading of the minutes of the last meeting was dispensed with by regular motion. Ten of our seventeen members were represented and answered present to the roll call. Mr. L. E. Pope was our only visitor.

Chairman Mattingly read a letter from C. H. Watts, chairman of our Publicity Committee, reporting progress and promising detailed report next month.

Due to the absence of Mr. Hougham, chairman of the M. & M. Association Committee, Mr. Mattingly reported that all our members who are members of the M. & M. Association will probably be placed on Division Committee known as Industrial Financing of Small Loans, of the General Committee, under the heading of Finance & Insurance.

After this very brief business session, all present joined in a lively discussion of several subjects of interest, one of which being the question of whether or not our association members should contribute through and in the name of our association, to charities and other worthy causes or as done in the past, by them individually. It was decided that this matter would be taken up again at our regular meeting after having been called to the attention of our Publicity Committee.

Reading of the booklet, *My Hardest Skip,* an address by James C. Lewis before the Pennsylvania Association ended our meeting, a very successful meeting when considered from a social rather than a business point of view, and we then adjourned to April 11, 1922.

H. H. Larsen, *Secretary.*

CAN YOU HELP?

A member of the staff of one of our prominent members has been ill for about a year with "Hodgkin" a disease about which little is known to medical science. His condition has grown steadily worse and the medical skill which has been available and applied has done little to relieve or improve his condition.

If any one who reads this may know of any cure or treatment which has resulted successfully, will you please communicate with the National Secretary, Box 778, Harrisburg, Pa.

ALABAMA.

In the January Advance Sheets, *American Digest,* page 245, appears the following:

Pawnbrokers and Money Lenders.

2. (Ala. App.) Acts 1900-1901, p. 2685, a local usury law for Jefferson, Etowah and Walker counties, is not unconstitutional as against one who loaned $5 and charged $1.80 per month for the use thereof.—Bullard Inv. Co. v. Ford, 89 So. 837.

6. (Ala. App.) Under the general statutes of the state, a usurious contract is voidable only, and only unenforceable as to amount of usuary, and money paid under such a contract cannot be recovered, in the absence of an express promise to pay, but, under Acts 1900-1901, p. 2685, a local usury law for Jefferson, Etowah and Walker Counties, excessive payments may be recovered back.—Bullard Inv. Co. v. Ford, 89 So. 837.

A transaction whereby plaintiff signed note for $5, stating on its face that plaintiff was to pay interest at the rate of 8 per cent. per annum, but in fact was required to orally agree to pay $1.80 per month for the use of the money, and did pay such amount. was usurious under Acts 1900-1901, p. 2685, the local usury law for Jefferson, Etowah and Walker Counties.—Id.

As this is the money lenders case, we are ordering pamphlet copies of the decision and on receipt of same will forward one to Mr. Kehr, Mr. Harbison, Mr. Hubaschek, Mr. Ham, Mr. Hilborn and Mr. Smith.

If there are any others who you feel should receive copies of this decision, kindly advise and we will obtain and mail to them.

It will be observed that in Alabama there appears to be no constitutional provision as most states have, which restricts authority of the legislature to pass any interest law that does not apply to the entire state. Very respectfully,

Clarence Hodson, *President*
Beneficial Loan Society.

IOWA.

As indicated in the following letter from A. L. Whitmer Secretary-treasurer of the Iowa Association, to the Chairman Tate J. Harrison, plans for the big meeting to be held in Cedar Rapids June 9th, are assuming definite shape:—

"I returned home last night from Sioux Falls where I attended a two-day conference of the 16th District of Rotary Clubs. One of the outstanding and most impressive addresses given, and one which had the 1200 Rotarians present spellbound for forty-five minutes was given by Dr. Harry M. Gage, President of Coe College at Cedar Rapids, Iowa. Dr. Gage has been an intimate friend of the Whitmers on my mother's side for twenty years, and after he delivered this splendid address, subject "Applied Rotary," I was sure that he was the man we wanted to have talk at our convention in Cedar Rapids June 9th, and a conversation with him last evening before leaving Sioux Falls, I obtained his consent to talk before the Industrial Loan men. I can assure you that his address to us will be on a par with the one that Dr. Perkins delivered and should assure a 100% attendance.

"Tate, you have accused me so many times of being lucky and I am now willing to admit it, for I am sincere when I tell you that I have given considerable thought to whom we could get to deliver the principal address at our meeting. I am going to leave it to you and Glessner to make arrangements for the balance of the entertainment at the evening dinner. However, I have one suggestion to offer. Last year when I attended the Rotary Convention at Dubuque, there were two young ladies from Cedar Rapids that were splendid entertainers. I have learned since that they went with the Rotarians from Cedar Rapids to Edinburgh, Scotland. I do not know their names, but Mr. Glessner would have no trouble in obtaining them and it is just possible that by working with the Chamber of Commerce and Dr. Gage, you would be able to obtain these young ladies to entertain us.

"I am sending a copy of this letter to Mr. Kehr, in order that he may be informed, as I am sure it will please him, also Mr. Glessner. I should be very glad to receive suggestions from all of you as to the subjects to take up and individuals to be assigned them."

One of the Cedar Rapids, Iowa papers give the following account of the meeting:

The executive committee of the Iowa Industrial Money Lenders Association met in the office of the chamber of commerce Saturday afternoon with R. J. Holmes, secretary of the chamber of commerce, for the purpose of arranging a program for their semi-anual convention in Cedar Rapids on June 9th and

10th, with headquarters in the Montrose Hotel.

The purpose of the convention will be to take measures to coöperate with the banking departments of the state, because there are forty industrial loan associations in Iowa, and as they are all bonded and licensed by the state, it is very essential that they work for the good of everybody concerned.

While they were in session Saturday afternoon, the executive committee also passed on the proceedings of the last convention, which was held in Sioux City on February 1st, and to arrange to have them published in bulletin form.

The personnel of the executive committee of the Iowa Industrial Money Lenders Association is composed of T. J. Harrison, Waterloo, chairman; A. L. Whitmer, Sioux City, secretary and treasurer; W. L. Glessner, Cedar Rapids; W. J. Collins, Ft. Madison, and E. V. Fulmer, Davenport.

"Dear Mr. Kehr:

"The Executive Committee met in Cedar Rapids Saturday to formulate plans for our next meeting which is to be held there June 9th.

"The entire Executive Committee called upon J. E. Lawler who has a license but it not a member of either state or national organization, and after a visit of thirty minutes we obtained a membership for each association.

"I enclose his membership fee of ten dollars for American Association.

"Yours truly,
"A. L. WHITMER.

"March 16, 1922."

MANAGER PRO TEM.

BY BEE MCDONALD.

"Is this the Guaranty Loan?" asked a timid feminine voice.

"Yes," answered the blasé office girl, "What is it?"

"I—I've just received your circular and I—er—will you send some one to—to see what I have?"

"All right, madam," yawned the blasé one, replacing the receiver. "It sure gets on one's nerves, listening to down and outers all the time. Here, Cran, take this note to the manager."

A little later the manager stopped in the reception room on his way out to say "Miss Spivins, I've sent Cranston to cover the case that just called. When he returns, write it up carefully and give your notes to Wheeling. Tell him he'll have to preside for a couple of weeks. I'm called out of town."

When Clifford Wheeling returned from the World War, decorated with all sorts of citations, he found them of little avail as against the cold necessity of finding a job. After a month's search, he answered an advertisement and obtained a position with the Guaranty Loan Company.

Miss Spivins dutifully informed him of the mantle of authority which had so suddenly descended upon him and it was during his third day as assistant manager, that his friend Wayne Sturdevant looked him up.

"How in the world do you happen to be connected with loan sharks, Cliff? I thought—"

"You thought all these companies were cut-throats—so did I, once, but it's a different story since the government placed them under its supervision. I'm presiding while the boss is out of town—handling my first case alone, and it's a young girl, Sturdy. Better stick around. You always did fall for them."

"Won't hurt you a bit, Wayne. Guess I'd better go over the details of this case before I go to the bank. Miss Spivins, bring Cranston's report on Number 22. The numbering of the cases is my idea. In this way no one but the manager need know the name of the client until the notes are ready to sign."

Miss Spivins brought the papers and laid them before him, glancing more or less apprehensively at Sturdevant from the corner of her eye. "Number 22 is due for an interview, Mr. Wheeling," she called back as she closed the door marked "PRIVATE."

"All right," he answered, glancing over the notes before him. "Um-m-m—seems she's no receipts to show her stuff's paid for—wants to take up a note against a Liberty bond for securing. Have to see about this. It's not our regular way and the State's pretty nosey about our affairs, but we'll try to help the dear anyway. Sturdy, stay here won't you, while I go to the bank, and if this client comes, hold her till I get back."

Wheeling hurried out a door leading directly to the hall, without giving Sturdevant the alternative of a refusal and some fifteen minutes later, as he sat with his back to the door marked "PRIVATE," it opened and closed with Miss Spivins' announcement, "Number 22 calling." He turned, expecting to see Miss Spivins waiting for authority to show 22 in. Instead, he looked straight into the heavenly blue eyes of the girl who had "cracked the old heart till it was almost useless."

"Wayne!" she cried, coming toward him with outstretched arms. "I'm so glad dear! Then you did care enough for me to go to work?—And you're manager here! Oh—it's too good to be true!"

Without so much as the flicker of an eyelash, Sturdevant gathered the willing girl into his embrace and whispered. "Then, am I really forgiven, Allie?"

"There's nothing to forgive, since you've done the very thing I asked of you. I've never had much use for these loan companies, but—it—it seems we need them sometimes. Anyway, you showed your willingness and I'm afraid I couldn't have held out much longer Wayne." With a sigh of utter contentment, she sought the convenient shelter of his comfortable shoulder, and thus Wheeling found them.

By a series of wild, grotesque facial movements, above the head of his fair Alice, Sturdevant managed to convey to Wheeling that all he asked of him was silence. "I suppose you have heard of our assistant manager, Alice," he said smoothly, turning the girl toward Wheeling. "I've just discovered in our number 22, a very dear friend of mine. Allow me to present Mr. Wheeling, Miss Wainright. We're going to waive all legal formality, Cliff, and make her a straight loan of five hundred at once."

"But Wayne—I don't need so much—I—I'll only have to pay all that money back."

"Never mind about when you pay it back—the Guaranty will back you—better have plenty. I'll bring the check to-morrow and attend to the details personally. I'll be back as soon as I've put her on the car Cliff."

With a surreptitious wink at his appalled friend, Sturdevant and the girl hurried out and when he returned, Wheeling stood just where they had left him, still staring into space.

"Come too, old dear!" exclaimed Wayne, slapping him on the shoulder. "I'm the happiest man alive! 22 was—I mean is my fiance. We quarreled because I was living on an allowance—refused to marry me until I got a job—haven't seen her for weeks. In the meantime the Guaranty is going to loan her $500. Congratulate me, old man!"

"Congratulate you! When this may cost me my job? We never loan as much as that at once, Sturdy."

"Don't worry, Cliff. Just loan me a few blanks and keep this off the records—I'll do the rest. She thinks I'm manager here—it's only 10 days till the first and everyone's privileged to change jobs you know."

Alice Wainright became Mrs. Sturdevant in the course of some months, and after the honeymoon was over, Wayne announced he had a confession to make. "I never was manager of the Guaranty, Allie," he told her, "but I was afraid I'd lose you again, that day you found me in their offices, so I let you think I was."

"I know all about it, dear heart. I saw your wild signals that day in a mirror behind you and the next day got the facts from Miss Spivins. I was able to make the small loan I needed in the regular way, when the manager returned, and here, my beloved manager pro tem—she paused to take an envelope from her pocket, "is our five-hundred—untouched!"

KENTUCKY.

We have nothing but tears for those misguided Senators who were responsible for killing one of the most constructive pieces of legislation it will ever be their privilege to make. They have refused to correct conditions which exist, which are, as Judge Landis said when similar legislation was pending in Illinois "ten times worse than the remedy sought."

The newspaper account of the "killing" is interesting and follows:—

The "loan shark" bill passed by the House was the next measure called up for consideration. Senator R. C. Simmons of Covington sponsored it.

He called attention to the fact that "poor persons" often have to pay as much as 150 or 200 per cent in interest. Representative Harry J. Meyers of Covington, author of the bill, was in the Senate chamber during the discussion.

"Loan Shark" Bill Up.

The bill would license and regulate the business of making loans in sums up to $300 to persons who need the money. Interest not to exceed 3½ per cent a month would be allowed. Letters

indorsing the measure were read by Mr. Simmons.

In urging the bill, he said it was the law in twenty-three States. He added that the Legislature of Virginia had just passed a bill of the same nature.

Senator White L. Moss of Pineville, declared: "I will not vote for a bill that will legalize an interest rate of 42 per cent a year. Every labor organization in the State is against it."

Mr. Simmons replied the bill was for the purpose of protecting "these unfortunate persons from the clutches of unscrupulous money lenders, who often charge a higher rate of interest than 3½ per cent a month."

"I just simply rise to defend honesty and justice," Senator Pal Garner of Breckinridge County declared. "The very name of this bill is enough to defeat it on the face of it."

"I am surprised," he went on, "that any man who would have the cheek and the audacity to come here nearly the last night of the session and attempt to pass a dishonest measure of this nature.

"There's not a bank that wants it," he said. "There's not a labor organization that wants it. There's not any one who wants it except a law-violator."

Mr. Garner received a round of applause when he said:

"You could take the Atlantic Ocean and convert it into holy water; you could take this bill and soak it therein for 1,000 years; you could bring it back and have the chiropractors and osteopaths work on it; you could put it under a magnifying glass of a ten-millionth capacity—then you couldn't find enough honest stuff to make a shade for a microbe."

Senator T. R. Welch of Jessamine County moved that the bill be tabled. This was done by a vote of 25 to 8.

Those who voted in the negative were Senators Bright, Daugherty, Harris, Haselden, Kelly, Marshall, Perry and Simmons.

OLD GLORY WILL BE UNFURLED IN MARION.

Old Glory is to be unfurled in the breezes, in glorious fashion. Noting the editorial in *The Leader-Tribune* concerning the absence of a flag in the court house yard, officials of the Indiana Licensed Lenders' Association passed a motion at their meeting yesterday, to appropriate sufficient money to present the American Legion with a fine copy of Old Glory, for use in the court house yard.

The motion was made by Robert, J. Spencer, Jr., chairman of the Indiana organization.

So enthusiastic were the men for the plan that they left $50 with A. C. Broughman for the purpose, with instructions that sufficient of the amount be expended to purchase a beautiful flag. The matter will be taken up with Harold J. Thomas, commander, to-day and it is expected the Legion will make plans at once to buy the flag and to delegate fighting men to see that it is unfurled each morning and taken down at sunset in the evening.

Officials of the Legion were gratified at the action taken by the organization. *The Leader-Tribune* was commended by the organization for the position which it took in the matter.—*Marion, Ind. Feb. 4, 1922.*

PENNSYLVANIA.

The annual meeting of the Pennsylvania Association was held in the Red Room of the Bellevue-Stratford Hotel, Philadelphia, at ten A. M., and two P. M., on Wednesday, November 30, 1921.

The meeting was called to order by Chairman, E. P. East.

Forty-seven members and the following visitors were present: Messrs. S. H. Vogel, Trenton; H. G. DeWeese, Columbus, Ohio; George H. Orth, Harrisburg; T. C. O'Brien, New Haven; C. H. Stratton, Sullivan; W. G. Wood, Providence, and F. L. Wright, Lancaster.

The Chair presented Mr. Henry H. Smith, in charge of the Retail Merchants Credit Bureau of the Philadelphia Chamber of Commerce, who welcomed us to Philadelphia and gave a most interesting address on the benefits of coöperation and the results of this being carried into the credit relation between lenders and other credit agencies. A vote of thanks was extended Mr. Smith for his message.

Mr. Albert D. Bennett of Philadelphia, on invitation of the Chair read the Chicago Convention address of Mr. Arthur H. Ham of New York. A vote of thanks was extended Mr. Bennett for his help.

On order of the Chair the minutes of the first organization meetings on December 3, 1915, and December 28, 1915, were read by Dr. C. G. Mueller, the first Secretary, with Mr. C. H. Watts, the first Chairman in the Chair.

On order of the Chair the freedom of the meeting was extended to Captain Pringle, representing the Near East Relief, who gave us a stirring picture of the conditions now existing, following which a liberal contribution was quickly made up and later presented to this helpful cause.

Report of Officers.

The treasurer reported on hand, November 30, 1921, $521.52.

The secretary reported a membership of 74—all in good standing, with one exception, as of December 31, 1921.

Unfinished Business.

Following a discussion, the remodeled Constitution and By-Laws, as reported by the Executive Committee, on motion of Mr. Young, seconded by Mr. Kehr, were adopted and a copy ordered distributed to all members. This to become effective January 1, 1922.

New Business.

On motion of Mr. Watts, seconded by Dr. Mueller, the applications for membership of the Beneficial Loan Society, 1006 Liberty Building, Philadelphia, Beneficial Loan Society, 1120 State Street, Erie, Beneficial Loan Society, 302 Magee Building, Pittsburgh, and the Beneficial Loan Society, 3653 Germantown Avenue, Philadelphia, which had the approval of the entire Executive Committee, were ordered elected.

On motion of Mr. Woll, seconded by Mr. Franko, a Nominating Committee, consisting of Messrs. Kehr, Moss and Lobb, was appointed to receive nominations for the officers for the ensuing year.

This being the annual meeting, Chairman East made a verbal report of the year's activities, thanking each one for his coöperation and helpfulness. On motion of Mr. Harris, seconded by Dr. Mueller, a rising vote of thanks was tendered the retiring chairman.

A report of the secretary approved by an Auditing Committee, consisting of Messrs. E. B. Webster and W. S. Herron, on motion of Mr. Moss, seconded by Mr. Ezekiel, was accepted and ordered spread on the minutes.

Annual Report of Secretary 12-1-1920 to and inclusive 12-1-1921.

Membership 12-1-1920.....	67
Resignations during year....	3
	64
New members accepted during year.....	10
Total membership 12-1-1921..	74
Members in good standing....	73
Total Licensed Lenders in Pennsylvania 12-1-20.....	102
Increased during year.....	18
Total Licensed Lenders in Pennsylvania 12-1-21.....	120
Non-members, Pennsylvania Assn.....	46
Total receipts 12-1-20 to 12-1-21.....	$1481.42
Total disbursements 12-1-20 to 12-1-21.....	959.90
Total payment as dues of members to American Assn. 12-1-20 to 12-1-21.....	3338.75

Respectfully submitted,
(Signed) C. H. WATTS, *Secretary.*

A report of the treasurer, approved by an Auditing Commttee, consisting of Messrs. P. B. Reeves and C. H. Fahringer, on motion of Mr. Moore, seconded by Mr. Goldman, was accepted and ordered spread on the minutes.

A report of the Executive Committee Chairman Ezekiel was read and approved, and on motion of Mr. Lyons, seconded by Mr. Hubbell, was ordered spread on the minutes.

"Gentlemen:

"I herewith tender this as my report of the Executive Committee for the year 1921. Your committee held four meetings, and the business transpired at the meeting was as follows:

"The Executive Committee held a meeting on January 11, 1921, at the City Club, Philadelphia, and the following was recommended: 1. That members be urged to purchase for their individual use and free distribution among their friends copies of the American Association Year Book. 2. That payment on one-half of the first year's dues of new members obtained through the Field Secretary of the American Association be paid as collected to the A. I. for this work. 3. That the members seriously consider the establishment of a "Loan Fund" to be used in the making of loans to worthy borrowers, recommended by the local charity and welfare organizations, at a rate that would compensate them only for the overhead cost and

without profit. 4. That the legislative questionnaires be forwarded to the members promptly. 5. That the members be urged to take membership in the Retail Credit Men's National Association. 6. That the Legislative Committee actively oppose any change in the present Small Loan Law. 7. That the contract with our publicity agent be continued during 1921. 8. That the chairman of the Membership Committee be asked to appoint three helpers on his committee, after dividing the state into zones.

"The Executive Committee also held a meeting at the City Club, Philadelphia, on February 24, 1921, and recommended the following: 1. That companies only who are operating distinctly under the Cox Act be admitted to membership. 2. That further effort be made to have a greater number of members join the Retail Credit Men's National Association. 3. Their approval as given the contemplated membership meetings, fostered by the Membership Committee, in Pittsburgh, Philadelphia and Harrisburg, during March. 4. That Messrs. Hart and Federated Loan Association of Philadelphia, with respect to the unfavorable publicity in the *North American* newspaper of Philadelphia.

"At a meeting of the *Pennsylvania Industrial Lenders Association* held on July 8, 1921, at the Penn-Harris Hotel, Harrisburg, your chairman of the Executive Committee reported that no business had been brought to the attention of his committee since the last meeting, with the exception of such business that was taken care of by correspondence, and which will have the attention of the members at today's meeting, July 8, 1921.

"For the year of 1921, the Executive Committee held their final meeting on September 8th, and the details were of such minor importance that the same will be taken care of at our next meeting on September 15th, which will be at the Adelphia Hotel, Philadelphia.

"Thanking the members of the Executive Committee for their steadfast coöperation in pursuance of their duty,—for our organization.

"Respectfully submitted,

(Signed.) "A. S. Ezekiel, *Chairman.*

A report of Chairman Kehr of the Legislative Committee was read and approved, and on motion of Mr. Moss, seconded by Mr. Hubbell, was ordered spread on the minutes.

A report of Chairman Moss of the Entertainment Committee was read and on motion of Mr. Hart, seconded by Mr. Gatter, approved and ordered spread on the minutes.

"Gentlemen:

"I submit the following report as Chairman of the Entertainment Committee for your approval.

"On January 27th past, our Association held a regular meeting in the City Club and luncheon was served in the Gold Room. There were present twenty-two (22) members, and on that occasion, we had with us as visitors: Messrs. Wm. Hirsch and Albert S. Marks of the Federated Loan Association of Philadelphia, Mr. F. M. Jackson of New York City, and Mrs. M. O'Reilly Ray of the Department of Public Welfare Bureau of Legal Aid. The entertainment on this occasion consisted only of the meal that was served and arrangements for this were made by our Secretary Mr. C. H. Watts.

"On March 30th past, a meeting was held at Harrisburg in the Penn-Harris Hotel Parlor A. On this occasion, luncheon was served on the arrangements for this were handled entirely by Mr. George W. Kehr. On that occasion, we had with us, Hon. John S. Fisher, Commissioner of Banking of the Commonwealth of Pennsylvania, Mr. H. G. DeWeese, Field Secretary of the American Industrial Lenders Association, Mr. J. W. Whitstone, Chairman of the New Jersey Industrial Lenders Association, Mr. F. F. Hutchins of the Commonwealth Finance Loan Corporation of Reading and Mr. Henry G. Hodges of the Reading Industrial Thrift Corporation. The entertainment in this instance consisted only of luncheon as was the case at our first meeting of the year. There were present thirty-three (33) of our members.

"On July 8th past, a meeting was again held in Harrisburg at the same hotel and in the same room as above stated. We had with us on that occasion as guests: Scott S. Leiby, Esq. of Harrisburg, Mr. George H. Orth of the State Banking Department, and Mr. Fred L. Wright, Eastern Superintendent of the Welfare Loan Association of Lancaster, Pa. In addition there were twenty-two (22) members present. Luncheon was served and this constituted the only entertainment. Arrangements for this were made by Mr. George W. Kehr.

"On September 15th past, our Association held a meeting in the Adelphia Hotel, Philadelphia, Parlor A. Luncheon was served. There were present twenty-two (22) members and our visitors were: Mr. W. G. Wood, Chairman of the Rhode Island Association and now Chairman of the American Industrial Lenders Association, Mr. Wm. Hirsch, Directing Manager of the Federated Loan Association, of Philadelphia and Graham C. Woodward, Esq. and Albert T. Hanby, Esq. The arrangements for this luncheon were made by Mr. Charles H. Watts.

"Our Chairman appointed on this committee, Messrs. Alfred S. Ezekiel, A. V. Hart, E. B. Webster and J. G. Lobb at our meeting held September 15th to assist in making arrangements for the banquet and entertainment that will be held in the Clover Room in this hotel this evening. A sumptuous repast has been provided for, likewise arrangements completed for what is hoped will prove to be a splendid entertainment. The goodness and attractiveness of this entertainment will be passed upon by you and our fellow members. We will have with us this evening: Hon. Edwin R. Cox and Judge John M. Patterson and other celebrities well known to all of us.

'Yours respectfully,

(Signed.) 'V. D. Moss," *Chairman.*

A report of Membership Committee Chairman Mueller was read and on motion of Mr. Kehr, seconded by Mr. Woll, approved and ordered spread on the minutes.

"Gentlemen:

"Your Membership Committee has been more or less active throughout the entire year. The figures here presented are purposely limited to prevent too comprehensive analysis of the fluctuating standing of the Association's membership. There have been instances where members have permitted themselves to automatically become suspended while on the other hand through various channels operating under the Membership Committee another member has been added. This process shows clearly that while the increase in membership of your association has not been remarkable for its growth, the membership committee at least has functioned exceptionally well.

"Early in the year the chairman of your Membership Committee received a communication from the National Secretary and also from the Chairman of the National Membership Committee, stating that the American Industrial Lenders Association would coöperate with State Associations in making a special drive to increase State Association Memberships. In this connection the National body very kindly and effectively sent its able field secretary into Pennsylvania. Immediately your worthy secretary contacted the Pennsylvania State Banking Department requesting a list of all licensees to date. A copy of these was furnished the chairman of your Membership Committee, who having obtained a cardboard map of the state of Pennsylvania immediately proceeded to distribute and designate thereon by colored push pins three classes, namely as follows. The push pins in black designating the members of Pennsylvania and American Associations. The red headed push pins indicated members of State Associations and not National Association. The white push pins designated non-member licensees. These pins were inserted in the respective cities and were distributed as follows:

"There were 100 bona fide licensed lenders in the State situated in 29 cities, 49 of which were members of both Pennsylvania and American Associations, located in 18 different cities; 16 of which were members of the Pennsylvania Association only and were distributed in 10 cities. The remainder, 35 licensees were without membership in either state or national body and they were distributed in 17 different cities.

"From the above data it will be clearly seen that to launch a membership drive would mean a rather comprehensive plan for contacting each of the State members who were without National Association membership and more especially the licensees who were non-members, yet the task was undertaken by your Membership Committee through the following plan:

"First apportioning the territory into districts.

"Secondly, appointing local captains in those districts, thereby holding district meetings at which invitations were sent to all non-member licensees.

"Third, that supplementing each of these meetings the field secretary of the National Body would give each non-member licensee a personal canvass.

"With this plan clearly defined the Chairman of your Membership Committee sent forth a series of letters of appeal to non-member licensees requesting them to attend a series of membership drive meetings, the first one of which was called by a caucus of the Pittsburgh members and arrangements were effected by our worthy treasurer so that on Monday, March 7, 1921 a meeting was called at the Fort Pitt Hotel in

that city. This meeting was attended and accorded an enthusiastic reception. The field secretary made a stirring appeal for increased membership and was amply rewarded.

"A like process was then effected and subsequent meetings were held in Philadelphia and Harrisburg, each of which subsequently yielded an increase of membership. To our dynamic National Field Secretary goes the credit for this progress because is was due to his untiring efforts and his perseverance in his personal solicitation supplementing these meetings that brought about reward for the effort put forth.

"Since the early part of the year there has been an increase in number of industrial loan licenses issued by the State Banking Department, few of which, however yielded membership in the Pennsylvania Association. In this respect there were a number of reasons. Your Executive Committee has several times been in session to consider among other things whether or not it would be advisable to extend an invitation to membership in the Pennsylvania Association to licensees operating similar to the so-called Morris Plan of money lending. It is sufficient to say that your membership committee has been exceedingly careful that every license within the state has been contracted and his status regarding the membership in the Pennsylvania Association definitely determined. It is gratifying that extremely few of the desirable licensees are not members of your splendid association.

"In conclusion your committee begs to report that at this time the standing of the membership of your Association is as follows:

Membership December 1, 1921 Total	74
Members in good standing December 1, 1921	73
Total resignations during the year	3
Total number new members during the year	10
Membership increase for year	7

"The members of the Pennsylvania Association have supported this organization and the membership committee most liberally considering the need for attention to their own affairs. The Pennsylvania Association has been most fortunate in having its percentage of resignations smaller than probably any other sister association. It would hardly be fitting to close this report unless a word of appreciation was here recorded to the many captains and volunteers who so ably rendered assistance to your membership committee in the past. It is to be hoped that the good work will be continued and their numbers multiplied many fold. It is also desired to thank our members for the interest they have taken in our organization.

"Respectfully submitted,

(Signed.) "CHARLES G. MUELLER,"
Chairman.

Mr. Joseph A. Keough of the Bell Telephone Company of Philadelphia, favored us with a most interesting address on "How to use a Telephone." Mr. Keough's handling of his subject proved most interesting. Many queries were addressed to him and a rising vote of thanks tendered for his kindness. The discussion was actively entered into by Messrs. O'Neill, Gatter, Dobyns, Franko, Clark, O'Brien, Hubbell and Goldman.

Mr. H. P. Gatter, Manager of the Security Loan Company of Germantown, Philadelphia, read and discussed a splendid paper on "How to educate a customer to pay without notice," and on motion of Mr. Zimmerman, seconded by Mr. Webster a vote of thanks was tendered Mr. Gatter, his paper was approved and ordered distributed.

A discussion on the advantages of clear vision, private rooms in lenders' offices was opened by Mr. Woll and very actively entered into by Messrs. O'Neill, Huettmann, Gatter, Henderson, DeWeese, Moore and many others. An invitation was extended by Messrs. Woll and Lobb to visit local offices where this new idea was already in use. This was readily accepted by many and reports indicate much educational work was done.

Mr. V. D. Moss of Philadelphia read and discussed a very valuable paper on the subject "Is it advisable to record notes to the extent now practiced?" and on motion of Mr. Ezekiel, seconded by Mr. Hart, a vote of thanks was tendered for this splendid address.

Mr. Walter Horn, Manager of the Provident Loan Company of Philadelphia, read a paper on and discussed the subject of "How I handle collections during this period of business depression." On motion of Mr. Moore, seconded by Mr. Allgaier, a vote of thanks was tendered Mr. Horn for his paper.

The Chair announced that he favored a four-day session of the American Association Conventions, which had the approval of Mr. Franko and many others.

On motion of Mr. Moss, seconded by Richard East, a contribution of $50 to the Near East Relief was unanimously voted.

Mr. V. D. Moss of Philadelphia, called the convention's attention to the need of a greater effort to make our meetings more of an educational nature and urged the Executive Committee to keep this before them, in making up their program for 1922. This had the approval of the meeting.

On motion of Mr. Watts, seconded by Mr. Hubbell, the Chair was authorized to appoint a committee to assist neighboring state associations in the preparation for the annual convention of the American Association in New York, in 1922.

The Nominating Committee reported the following to serve as the Executive Committee during the coming year,—Messrs. Moss, Schroder, Zimmerman, Webster, Harris, Mueller, Klein, Ezekiel and Watts. The report was ordered accepted by the Chair and the Committee dismissed with thanks.

On motion of Mr. Kehr, seconded by Mr. Harris, the secretary was instructed to cast one ballot for the election of those nominated, resulting in the selection of Mr. Moss as chairman and the balance of the committee were duly elected.

A report of Chairman Hart of the Publicity Committee was made at this time and on motion of Dr. Mueller, seconded by Mr. Ezekiel, a vote of thanks was tendered to him for his work.

Mr. W. G. Wood, Chairman of the American Association, was presented at this time by the Chair and addressed the meeting, pointing out the need for a greater understanding of the problems confronting the Small Loan Business and the importance of each lender doing his part to further standardize and make the business wholesome and dependable agencies for good in the community.

Upon motion duly seconded the annual meeting adjourned, there appearing no further business to transact.

Respectfully submitted.

C. H. WATTS, *Secretary.*

E. P. EAST, *Chairman.*

Immediately following the annual meeting, a meeting of the directors was held and the following were duly elected for the coming year:

Alfred S. Ezekiel, Chairman; C. H. Watts, Secretary; C. H. Harris, Treasurer; C. G. Mueller, First Vice-chairman; E. R. Klein, Second Vice-chairman.

The chairman immediately announced the following chairmen of committees:

Mr. Kehr, Legislation; Mr. Webster, Entertainment; Mr. Herron, Publicity; Dr. Mueller, Membership; Mr. Moss, Executive Committee.

The annual dinner and entertainment was held in the Clover Room of the Bellevue-Stratford Hotel and enjoyed by a large number of members, friends and guests. At the Speakers' Table were Hon. Edwin R. Cox, Philadelphia, City Councilman, father of the present Pennsylvania Small Loan Act, Mr. C. H. Stratton, Sullivan, Indiana, Treasurer of the American Association, Hon. John M. Patterson, Philadelphia, Mr. W. G. Wood, Chairman of the American Association and Mr. R. M. Rutherford of New York.

The regular meeting of the Pennsylvania Association was held in the Gold Room of the Adelphia Hotel, Philadelphia, Pennsylvania, at 2 P. M., Thursday, February 9, 1922.

The meeting was called to order by Chairman A. S. Ezekiel.

Thirty members were present at the luncheon which preceded the business meeting. Mr. Romain C. Hassrick, Chief, Bureau of Legal Aid, Department of Public Welfare of Philadelphia, was the speaker, his subject, "The relationship of the Bureau of Legal Aid with the lender of small loans to necessitous borrowers."

Report of Officers.

The treasurer reported on hand, February 8, 1922, $983.92, and on motion of Dr. Mueller seconded by Mr. Hart, the report was accepted.

The secretary reported a membership of 74, 56 in good standing as of July 1, 1922. Fourteen are also members in good standing of the American Association, as of August 1, 1922.

The Chair announced the following Chairmen of Committees; Membership, Dr. Mueller; Publicity, Mr. Herron; Legislative, Mr. Kehr; Entertainment, Mr. Webster; Executive Committee, Mr. Moss.

Report of Committees.

Publicity, Membership and Entertainment Committees Chairmen reported progress.

Executive Committee Chairman Moss reported a meeting on December 27, 1921, at which the following matters were considered and recommendations made.

1. That the By-Laws and Constitution be approved and ordered distributed. 2. That an educational program for the year's work be prepared, one that will help the lender to be of greater service to the community. 3. That a copy of the American Association's 1921 Year Book be presented to each member, to be paid from the funds of the Association.

Unfinished Business.

The secretary reported a total contribution of $310 to the Near East Relief, $50 of which was contributed from the treasury, as provided at the annual meeting. Further, that a contribution of $119 was made during December to the Prison Welfare Society of Philadelphia, by Philadelphia and vicinity members.

New Business.

On motion of Dr. Mueller, seconded by Mr. Harris, the secretary was ordered to forward a letter of appreciation to Mr. E. P. East of New York, for having printed and placed in the secretary's hands copies of the recently adopted By-Laws and Constitution.

The Chair announced having appointed a committee, consisting of Mr. Moss, Attorney Hanby and Mr. Watts, since the last meeting, to confer with a committee from the Furniture Warehousemen's Association of Philadelphia. The purpose being the coördinating of the interests of the lender and warehousemen, so as to avoid delay and misunderstanding in the conduct and the relationship between the borrower, lender and warehousemen. Chairman Moss reported the results of two conferences with the Warehousemen's Committee and after a very considerable discussion as to the merit of the negotiations, on motion of Dr. Mueller, seconded by Mr. Mahoney, the committee was ordered to proceed with Attorney Hanby's advice and to report the results at its early convenience.

The applications for membership of the Hart Loan Society, Denckla Building, Philadelphia and the Welfare Loan Society, 14 W. Orange Street, Lancaster, having been approved by a majority of the Executive Committee and on motion of Dr. Mueller, seconded by Mr. Harris, were duly elected.

On motion of Dr. Mueller, seconded by Mr. Moss, the following letter, addressed to the secretary by Mr. E. F. Moore of Philadelphia, was ordered spread on the minutes.

"We were conferring with Mr. Hanby to-day and during our conversation, he advised that some of the companies were making loans and the following day, before there is a default in payment, entering the note on the record and having the customer pay the fee ($1.50) for entering.

"He stated that in his judgment, this was a bad practice and would not be approved by the Banking Department for the reason that the customer is made to pay a fee at the time of obtaining the loan, in order that our risk may be more secure, even though the fee is paid to the recorder and not received by the company making the loan.

"He further stated that we were permitted to charge a higher rate of interest because of the hazardous risk, and if we have the customer pay at the outset in order to have a judgment against his real estate, before there is a default in payment, the tendency on the part of the Banking Department would be to recommend a lower rate of interest.

"Believing that this should be brought to the attention of the association, we are passing Mr. Hanby's suggestion along to you."

On motion of Mr. Watts, seconded by Mr. Moss, the members' attention was ordered called to the appointment recently of a sub-committee of the Pennsylvania Bankers' Association, who are to coöperate with the committee appointed by the last Legislature to recodify the banking laws of the state, and the need for the officers of our association to be kept promptly informed of such activities of both committees as may come to their attention.

The secretary directed the attention of those present to the Retail Merchants' Credit Bureau of the Philadelphia Chamber of Commerce and of the bureau's desire that leaders in Philadelphia coöperate with it in providing a more advantageous exchange for credit information. The Secretary supplied general information and on order of the Chair was appointed as a representative of the Philadelphia members to the bureau.

On completion of the business program, the meeting was addressed by Mr. Walter Horn, manager Provident Loan Company of Philadelphia, on the subject "What Makes a Newspaper Advertisement of a Small Loan Company Sucessful?" The discussion was general and most thorough and on motion of Mr. Lyons, seconded by Mr. Gatter, Mr. Horn's paper was ordered placed in the minutes and tendered to the American Association for distribution, only among their members.

"Mr. Chairman, members and friends: We are here to-day at this time to talk our thoughts and exchange ideas on the above subject, the following little talk which may in many ways not be in accordance with your thoughts, is written in a style that perhaps may bring from you arguments, ideas, new points which will be helpful to us all.

"In the title of this talk is the word successful — every human being has a different idea of success — to me a small loan newspaper advertisement is successful when it attracts a good class of persons to you—they finding no misleading statements in you ad have faith in you, then as they continue doing business with you and you prove your helpful ways to them, they believe in you, you have then a steady customer.

"The successful advertisement of a small loan company should contain the following six points, *attention — explanation — persuasion — inducement — summary* (or clincher) and *proof.*

Attention — Some few words (or slogan) which in itself will attract at the same time be appropriate to the business.

"Explanation—Explicit description of rates, terms or methods, avoiding two meaning phrases or sentences.

"Persuasion—Tell why your company is better than any other company, why not tell them of your helpful methods, for what different purposes you have made loans, in plain words blow about yourself.

"Inducements—What inducements has a loan man? We are all selling money which must be alike and all of the same quality. The inducements must be in the service (of course there are a few good-looking managers among us, who have winning ways and could attract and obtain many customers by inserting their picture in their ads) but to be more general — such special inducements as being courteous, considerate, prompt, confidential, careful and helpful at all times are very good inducements (and advertise it).

"Summary—(or Clincher) Make use of a sentence to have the person act at once on sending you the application.

"Proof—This is the hardest part of your advertising.—When a merchant advertises that his goods are of a certain grade, he must prove it — so with a loan man when he advertises as being courteous, confidential, helpful or whatever it may be and obtains a customer under such an ad he should always carry throughout his transactions with the customer, all the good traits that he advertised — even though the customer's account should become slow or he is a former skip. The loan man should at all times be able to deal with the customer in a dignified manner.

"In the past I have often heard managers say "I'll try any of them once." Yes, then when they do not pay will use all means both unfair and unbusinesslike methods to get the money—thereby giving the small loan brokers a bad mark — but to-day we all can uphold our business — uphold our advertisements and when the time comes to close an unsatisfactory account we still can do so with courtesy through our attorney.

"In Philadelphia we have only about ten per cent of the working class borrowing from the small loan brokers, at this time there should be more than this. —Why is this? Is it the fault of not proper advertising?—Did you ever notice the ad of the Standard Oil Company when they advertise any of their products? if it is a certain kind of oil — they do not advertise in the classified ads under oils. No! the ad is in a prominent part of the paper—written up in a sort of story style and if you notice closely you will see it usually contains the six points previously mentioned.

"Would it be possible for the loan brokers to advertise that way. I am sure you could write a new story every day of how you helped many people along — go into details — this would improve the class of customers you would obtain.

"For argument's sake I have taken several loan ads from Sunday papers from different parts of the United States — will first read their wordings, then what my personal thoughts are of same. (All personalities exempted).

"Q. We do not notify your employer: neither do we make inquiries of your friends, relatives or trades people.

"A. Why print this and convey to the customer a fear that they might inquire, or even give him any idea about it.

"Q. At legal rates.

"A. This is misleading—either give the rates or the words "Lawful rates."

(Mr. Hon's paper will be concluded in the May NEWS.)

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MAY 22 1922

INDUSTRIAL LENDERS NEWS

Official Organ American Industrial Lenders Association Which Is a Member of the Chamber of Commerce of the U. S. A.

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ON TO NEW YORK!

It's happened. The ball is started rolling. The first step has been taken. Action has been generated—and the biggest, brightest, most vital American Industrial Lenders Association Convention ever held has been formally signed up for New York.

The staff officers mapped out the preliminary work around a luncheon table in a private dining room at the Hotel Pennsylvania, New York, on April 20th. Those present were: Alfred Ezekiel, Chairman of the Pennsylvania Association; Charles G. Mueller, former Chairman of the Pennsylvania Association; Sol Vogel, Chairman of the New Jersey Association; H. G. DeWeese, Field Secretary of the American Association; T. C. O'Brien, Chairman of the Connecticut Association, and Edgar P. East.

By the way, and before we go on with the story, here's something for each state chairman to scratch his head about, Connecticut, that slow, old-fashioned, hard-shelled strip of land, through the efforts of Mr. O'Brien and Mr. Stephenson, has already pledged 100% strong to attend the National Convention. Take that with Connecticut's compliments and see if you can beat it.

Other men who have volunteered to coöperate from the eastern states, which will act as hosts to the middle and western and southern states and territories, island possessions and country cousins, are: George W. Kehr, Harrisburg, our worthy National Secretary; C. H. Watts, Philadelphia; L. E. Pope, Richmond; G. W. Delaney, Providence; George Hodson, New York City; W. E. Poole, Massachusetts; Mr. Lanning, New York City.

Each chairman of the "Receiving States" will have three men on his special committee, one to raise the funds, one to carry on publicity, and one to be general booster. The first man will have a large pocket, the second a large voice, and the third a large boot! Get ready to give in if any of them come your way, for they will all be specialists in their line.

And while we are on the pleasant subject of finance, you will all be glad to know that Doc. Mueller has been appointed Chairman of the Finance Committee for the National Association Convention. Many of us know from experience that there is no one who can extract money from the "one way purse" with the ease and delicacy with which Doc can. He assures us the operation will be painless.

It is well to warn you that just because this announcement of the opening of the great campaign has been written in a lighter vein, you will do the wise thing if you take its news and facts very seriously. Underneath the fun is a spirit of determination, and the very soul of that determination is alive to but one purpose, the making of this Convention the most important, from every standpoint, that the American Association has ever held.

The general director of the Russell Sage Foundation, Mr. Glenn, the Acting-Director of the Division of Remedial Loans, of the Russell Sage Foundation, Mr. Hilborn, and Mr. Ham, the former Director of Remedial Loans of the Foundation, have already assured us that they will be glad to accept our invitation to the banquet, as guests of honor.

If we can't get you to New York any other way, we are going to so impress you with the value of this conference that you will not dare to miss it. And that is the truth! The industrial lender who stays away from the Convention will lose one of the most valuable experiences of his life.

Of course there will be plenty of fun, the big city is full of it, and it will all be presented to you on silver trays. But the opportunity to hear some of the country's most prominent men tell their views on the economic condition of the nation; the opportunity to learn how the most experienced men in your own work are conducting their affairs; and the opportunity to have a part in presenting the business standing and service value of the industrial lender to the whole realm of industry, these are things no man who cares about the success of his own business, dares to miss. So prepare to come!

The date of the Convention-opening is set for Wednesday, September 20th at 9 A. M., and it is to continue four days, closing Saturday, September 23d.

The Convention committee is looking to the Secretary of each State Association to leave no effort undone to insure a record attendance. All members are expected to bring their wives; all large operators must bring their Branch Managers as a reward for good work; directors and stockholders will be invited.

This country has reached a turning point in its commercial and financial affairs, and this is our great opportunity to establish the Industrial Lender as a known factor in commerce.

Get the Spirit!

On to New York!!

Convention Committee,

EDGAR P. EAST, *Chairman.*

CONVENTION FINANCES.

A preliminary meeting was held at the Hotel Pennsylvania, in New York, on Thursday, April 20th, last, at which time a tentative program for the National Convention of the American Association, which will be held in New York City on September 20th to 23d, inclusive, was prepared.

At this meeting, the writer was appointed Chairman of the Finance Committee. It is needless to say that this convention will, by reason of experience undoubtedly be the most interesting and on account of its location, the most widely attended convention of any in the history of the association. Many members are planning to bring their wives; many of the chain organizations are already arranging to send their employees as rewards for extraordinary services rendered, and in addition, members are inviting their attorneys, directors, investors, etc., generally. The convention will be an epoch-making occasion of the most highly educational type. No man or woman will feel that he or she has not been amply benefited by the sacrifice of time for having attended.

It is a little too early to announce many of the interesting subjects on the program for those who will attend the business sessions. There has also been a committee appointed who will look after the entertainment of the lady visitors, and as New York is the place where things are done on a colossal scale and as the city and environment afford endless interest and entertainment, this committee will make up a program that will make those who partake of its plans to long remember the occasion of their pleasant visit. All this sounds nice, doesn't it? It is nice. And the convention committee has a very earnest purpose in making it come to pass. To do these things, however, means it will require a substantial outlay of money. It is my duty as Chairman of the Finance Committee to raise this money—something around $5,000 will be needed.

In consequence, it is the thought of your committee that a per capita assessment will be made by each of the following eastern associations, who act as hosts to the western delegation, who are coming through strong; there can be no doubt about that.

Associations:

Massachusetts, Connecticut, Rhode Island, New York, New Jersey, Pennsylvania, Maryland, Virginia, West Virginia and Georgia.

It is suggested that the Chairman of

(*Concluded on page 2.*)

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Correspondence and items intended for publication should be addressed to Geo. W. Kehr, 204 Chestnut St., Harrisburg, Pa.

NATIONAL OFFICERS, 1921-1922

Chairman, W. G. Wood, 268 Westminster St., Providence, R. I.
Treasurer, C. H. Stratton, Sullivan, Indiana.
Secretary, G. W. Kehr, 204 Chestnut St., Harrisburg, Pa.
Field Secretary, H. G. DeWeese, 1948 N. High St., Columbus, O.

VICE-CHAIRMEN.

Conn.—T. C. O'Brien, 113 Church St., New Haven.
Ga.—A. B. Madison, 103 Central Bldg., Atlanta.
Ill.—L. C. Harbison, 81 E. Madison St., Chicago.
Ind.—Robert Spencer, Jr., Grant Saving & Trust Co., Marion.
Iowa.—T. J. Harrison, 115½ E. 4th St., Waterloo.
Md. H. T. Mattingly, 322 Equitable Bldg., Baltimore.
Mass.—W. E. Pool, 63 Court St., Boston.
Mich.—F. E. Stroup, 507 Commercial Bank Bldg., Grand Rapids.
N. J.—J. W. Whitstone, Frost Bldg., Plainfield.
Ohio.—Col. R. V. Barto, Columbus.
Pa.—A. S. Ezekiel, 301 Denckla Bldg., Philadelphia.
R. I.—W. G. Wood, 268 Westminster St., Providence.
Va.—L. E. Pope, 706 Chamber of Commerce Bldg., Richmond.
W. Va.—H. L. White, 220 Schmulbach Bldg., Wheeling.
Unorganized States.—R. M. Rutherford, 175 Fifth Ave., New York.

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Auditing, H. T. Mattingly, 322 Equitable Bldg., Baltimore.
Finance, W. P. Woll, 337 W. Madison St., Chicago.
Law, F. R. Hubachek, Esq., 610 McKnight Bldg., Minneapolis, Minn.
Legislation, C. H. Watts, 1011 Chestnut St., Philadelphia, Pa.
Publicity, E. P. East, 175 Fifth Ave., New York.
Membership, J. H. Dyer, 404 Commerce Bldg., Columbus, Ohio.

The National Council is composed of the National Officers, Vice-Chairmen, and Committee Chairmen.

STATE SECRETARIES.

Conn.—H. G. McMullin, 757 Main St., Hartford.
Ga.—B. L. Lassiter, 215 Atlanta National Bank Bldg., Atlanta.
Ill.—L. T. Baker, 109 N. Dearborn St., Chicago.
Ind.—R. F. Hartz, 347 Bankers Trust Bldg., Indianapolis.
Iowa.—A. L. Whitmer, Iowa Bldg., Sioux City.
Md.—H. H. Larsen, 404 W. Baltimore St., Baltimore.
Mass.—H. J. Desormaux, 96 William St., New Bedford.
Mich.—J. A. Macbeth, 516 Penobscot Bldg., Detroit
N. J.—P. L. Alberse, Romaine Bldg., Paterson.
N. Y.—R. M. Rutherford, 175 Fifth Ave., New York.
Ohio.—J. F. Anderson, Bushnell Bldg., Springfield.
Penn.—C. H. Watts, 1011 Chestnut St., Philadelphia.
R. I.—J. H. Wickstrom, 87 Weybosset St., Providence.
Va.—H. L. Keiss, 205 Wither Bldg., Norfolk.
W. Va.—F. H. Withrow, 27 Arcade, Charleston.

CONVENTION FINANCES.

(Concluded from page 1.)

each of these state associations will have their associations pass a fitting resolution authorizing the treasurer of their association to remit check to me, drawn to my order, on as basis of $10.00 per member; the proceeds to come out of your association's treasury. This may seem like a great deal of money, yet you will better understand when I tell you that the amount thus raised through the state associations will cover only slightly over one-half of the expenditure above referred to. Other eastern individuals have pledged themselves to make up any deficiency.

You are assured that the money so raised will be wisely and discreetly disposed of. A full and thorough accounting will be made, and all expenditures will be carefully reviewed prior to their being made. It is the desire that this year's convention will have in reality a progressive movement. Propaganda and other educational advancement require energy, ability, brains and money. The progressive element of our members have endorsed this plan heartily and it will please you to know that Connecticut has already subscribed 100 per cent., and holds the place of honor in snappy initiative.

The heartiest and immediate response and coöperation from your state association is earnestly solicited.

Yours very truly,

C. G. MUELLER.

Chairman, Finance Committee, American Association Convention.

NEW YORK.

A meeting of the New York Association was held at the Old Colony Club, Biltmore Hotel, New York City, April 25th. Nine members were present. W. A. Farrell, Secretary and Manager of the City Personal Loan Co., 53-63 Park Row, New York City, was elected treasurer of the association. Mr. Farrell accepted the honor in a most happy speech. He made one of the best organization speeches, which the Field Secretary, who was master of ceremonies, has heard in a long while.

R. H. Gunning, manager of the Fidelity Personal Loan Co., 47 W. 34th St., New York City, was elected chairman to succeed R. W. Sharp, resigned. He likewise responded with a splendid speech. In fact, everybody there talked one and some two or three times. This association is going to be a real live one yet.

The Collateral Finance Corporation of 1076 Broadway, New York City, which recently joined the national body, was represented by three members of its Board of Directors, and made application for membership in the New York Association. The Interboro Personal Loan Co., of 1410 Avenue H, Brooklyn, was represented by Jacob Meyers, manager, who also made application for membership in the New York Association. The Yonkers Loan Co., 53-57 S. Broadway, Yonkers, N. Y., was represented by John A and Edward E. Riordan, president and secretary respectively. This company also made application for membership. Mr. Moriarity of the Westchester Provident Personal Loan Co., phoned that his company desires to retain its membership in the New York Association and that he would make every effort to have their new manager attend the meeting. He wanted it understood, however, in the event that he could not be present that he wished to be counted in the association just the same. Abe H. and Lillie Kavovitz, 6 S. Main St., Port Chester, wrote a letter saying it would be impossible for either of them to be at the meeting because of a previous engagement, but indicated that they would be present at subsequent meetings if given an invitation.

Indications are that dues to the State and National organizations will be forthcoming in the near future. The Field Secretary plans a trip through New York visiting the principal cities in the late summer, prior to the National Convention in New York City in September.

WEST VIRGINIA.

Reporting the meeting of the West Virginia Association, held in Huntington, April 27th, Field Secretary H. G. DeWeese says, "It was a most successful one in every way," and adds, "Every Loan Company identified with the Association was present but two; the Home Loan Co., Parkersburg and the National Loan Co. at Wheeling. We had one new Loan Company represented at this meeting, the Easy Payment Loan Co. of Huntington, W. Va., who joined both State and National organizations.

"Mr. H. L. White was selected as a delegate to attend the National Convention in New York in September, and there is a very enthusiastic 'On to New York' feeling among the West Virginia members. They also went on record to send $100 to Dr. Mueller which is $10 per office toward the expense of the National Convention. I certainly enjoyed my meeting with the West Virginia boys and the outcome generally."

PENNSYLVANIA.

(Concluded from April Issue.)

"Q. Without red tape.

"A. The words red tape makes a prospective customer sort of balk when you even start to ask any questions (and some questions are going to be asked) your ad will then be a mis-statement and a bad starting with your customer.

"Q. A safe place to borrow.

"A. Would like to hear from some of you here to-day as to just what this means.

"Q. We pay off other loan companies.

"A. In wording it as above, it seems to me that members of the Industrial Lenders Association that advertise in this way, have not the full spirit of the association—as they would take a brother member's business from him. If a customer has a loan with a company and is all right, this company can just as well take care of his wants as another company — of course if there is something wrong with the methods used by the company, then that would be an altogether different matter, and he will himself hunt up another company.

"Q. No other company can or will give you as good service or as satisfactory a deal.

"A. I leave this ad for you gentlemen to answer yourselves.

"Q. This company was formed in this town by citizens, a sort of charitable institute, to be helpful.

"A. A customer who becomes slow pay in this company is going to bring the charitable part of this ad to his use.

"I thank you all for your kind attention. "WALTER M. HORN."

Mr. M. L. Dobyns, Manager Guarantee Loan Company of Philadelphia, addressed the meeting on the subject of "Making Circulars to Former Customers Bring Results." This likewise resulted in a thorough discussion of the matter and as time prohibited its completion,

on order of the Chair the subject was ordered assigned to another speaker for a later meeting.

A vote of thanks was tendered Messrs. Horn and Dobyns for their successful efforts.

Upon motion duly seconded the meeting adjourned, there appearing no further business to transact.

Respectfully submitted,

C. H. WATTS, *Secretary.*

A. S. EZEKIEL, *Chairman.*

CO-OPERATING WITH LOCAL, STATE AND NATIONAL ORGANIZATIONS.

BY B. E. HENDERSON.

Hundreds of years ago Marcus Aurelius said, "We are made for coöperation, like feet, like hands, like eyelids, like the lower and upper rows of teeth."

To refuse, or be dilatory in coöperating, when coöperation is needed, is contrary to nature.

If there ever was a business in which coöperation is needed, for the general good of all affected, it is the small loan business. Confining our activities to our own interests to the exclusion of everything else is certainly not coöperating with our friends and neighbors for the betterment of our community.

To accomplish for ourselves, we must serve others.

Coöperating with local organizations, as I understand it, is to coöperate with local civic bodies, such as an Association of Commerce, Chamber of Commerce, Board of Trade or whatever the leading civic organization in our city might be called.

For many years and for obvious reasons, high rate money lenders were not invited to join these bodies. In some cases they applied for membership and were refused. In a few of the smaller cities some managed to obtain memberships.

Conditions in the loan business in many states have undergone a change and membership in these organizations is now a privilege enjoyed by lenders who are meeting the requirements of the laws regulating the business. Still notwithstanding this, many lenders do not avail themselves of this opportunity to join hands with local men-of-affairs in carrying on a work which is for the good of the community. It is difficult to understand why any man or woman capable of successfully managing a loan office should wait for reasons why they should take part in this work, nevertheless it is true.

Contact with such men as compose the personnel of the active workers in our civic bodies is worth a great deal to the loan man of to-day. I do not know of a quicker way to stamp out that long-existing prejudice against our business than to inform the uninformed. How are the uninformed to be enlightened, unless we take a hand in this work? Some loan men are reluctant to join in civic work because they do not care to explain their business to the outsider. It will be much better for the business when all such men are replaced by men who are able and willing to carry on real, thoughtful, intelligent educational work.

Theodore Roosevelt said, "Every man owes some of his time to the uplifting of the profession in which he belongs."

Times have changed in the past few years, and they are still changing rapidly. Are we going to be modern or remain in the horse-car age? Are we going to pass up this opportunity to associate ourselves with the biggest and best business men in our communities? Common sense is a prime requisite to success in business. We should use it in making this decision.

Every loan man knows that when those in his community prosper, his business prospers. When business in the industrial line is bad, his business is bad. Then why not help make your city a better city by giving some of your time, your money and your energies to the central organization through which citizens of all classes and creeds meet on common ground and join effort in doing those things which should be done?

Anything which makes our city a better city, commercially, economically or socially will benefit us, our families and our friends. Hundreds of commercial organizations throughout the country are demonstrating the good which can be accomplished by united effort.

We are a part of our community. The prosperity and happiness which comes to us, comes from the community; therefore, we should do our part toward making it possible for an increasing number to live better and happier each year.

The luncheons, membership meetings, etc., introduce us to our fellow citizens and help make our city a "friendly" city.

In many cities the heads of civic bodies have attended meetings of the money lenders and made addresses which were of a very complimentary nature. This sort of contact establishes friendly relationship between these executives and the lenders.

The Chicago Association of Commerce, which is one of the greatest, if not the greatest, in the world, has provided a subdivision for the licensed lenders of Chicago.

It is known as subdivision No. 55, "Licensed Lenders."

Each week the association has noonday luncheons at which prominent men from all over the country talk on interesting subjects. I think this is true in most all such associations. Chicago lenders who hold memberships take part in the activities of the association and fully appreciate the favorable reaction from the work.

At a meeting of the Indiana lenders held in November, I had the pleasure of hearing the secretary of the Indianapolis Chamber of Comerce make an interesting address.

Only a few years ago two of the Indianapolis lenders were members of the chamber, now they all hold memberships. In addition to the active offices they have a number of operators who hold individual memberships.

These boys do not stop at paying their annual dues, but are very liberal in giving their *time* to the work of the chamber. This is coöperation of the right brand. The kind that is sure to get results.

I could recite numerous cases where loan men have coöperated with their local civic bodies and where the benefits derived were mutually enjoyed.

The question is, gentlemen, can we afford to stand out against the sentiment and example of our fellow citizens who are giving their time and money to carry on a program of city betterment.

If our conscience is right, let it be our guide. If it is not right let's make it right by going into the leading commercial association in our respective cities.

There are many kinds of state organizations. However, I shall confine my remarks to organizations of money lenders.

In states where the business has been legalized and the lenders have been organized for any length of time it should not be necesary to take time and spend money soliciting memberships for our associations, when both are so much needed for other work. Still there are a few lenders in some states who have not yet seen the light.

I am glad to know that in Iowa practically every licensee in the state is a member of the state association. You are to be commended.

The most popular subject discussed by loan men since they started to organize is publicity. There is no doubt but what favorable publicity is one of the things most needed in our business. There are many ways of getting this publicity.

One of the best ways I know of is to make people *think*.

When they start to think, they start to learn. We want the public to know our business as it is to-day. To do this we must start them thinking.

In going through the National Cash Register factory some years ago, I noticed, posted throughout the place, large cards on which the word *Think* was painted in large, red letters. It may seem like an unnecessary wall-motto, but it marks the difference between routine and inspired work. As soon as men think they become creative, optimistic, earnest and efficient.

First we must do some thinking ourselves. In most any line of business of as much consequence as ours, some constructive work will be done, as the upward push of enterprising individuals will achieve some general advance. But, if there is to be real progress without discouraging delays, the active loan men of the country must organize themselves into modern associations and start the public, as well as themselves, thinking.

This uplift work like charity must start at home. *We* must first think right ourselves. One of the greatest advantages of these meetings is the opportunity it affords to do educational work among ourselves. It is said that one-eighth of the adult population of some states carry accounts with small money lenders. Consider what it means for those who come into daily contact with these people to be educated to properly handle their customers.

If this internal educational work is done as it could, and should be, we will not only have these thousands borrowing our money, but we will have just so many who appreciate the service rendered by the money lender, and realize the real necessity for the business. By reaching the borrowers through our offices, and the non-borrowers through our association

with our civic bodies, we can fairly well cover the ground.

Some lenders reason that because they have been forced by law to reduce their rates and submit to supervision, they are immune from outside criticism. That is an erroneous idea and the quicker it is dissipated the better it will be for everyone in the business.

The business can be thrown back into just as much disrepute as it ever was, and will be, if those in the business do not use fair methods in the conduct of their offices.

The salvation of our business depends on the future conduct of the lenders in the management of their business and the organized effort to educate the non-borrowing public.

If two heads are better than one, then many are better than two. Getting together in these meetings and exchanging ideas is the easiest way to prevent future trouble among our own people. Some members of state associations have gotten into trouble by using indiscreet methods in the handling of their business. In most every instance it happens to be a member who had not been attending the meetings of the Association.

Some lenders claim they cannot afford to pay their dues and attend the meetings. It is my opinion that a lender who is unable to invest sufficient capital to enable him to "help others, help themselves" should be in another business.

I have known loan men in some parts of the country who managed to live in nice homes, support and educate several children, drive an automobile and still claim they could not afford to spend the small amount of money it takes to hold a membership in the state association. It is difficult for me to understand such reasoning.

Any man of average intelligence should realize that he depends upon the profits of his business to provide the necessities and little luxuries. Therefore, he should not hesitate to give a little of his time and money to insure those profits. He probably pays more for the insurance on his home and auto than it would take to pay his dues, and the expense of attending Association meetings.

Some small lenders seem to be under the impression that the State Association is a devise of the larger and chain companies to "freeze" out the smaller lender. This notion is a heritage of the past and is wholly wrong.

There are many reasons why the State Association is of more value to the individual lender than to the larger and chain operators.

Adverse legislation will put us all out of business in any state. The chain operator usually has offices in several states. Should he be compelled to close in one state he can remove his capital to another as fast as it is collected. He has established places, where he can lend the money, taken from another state, at the minimum cost. The individual operator can only collect in and close up. If he has sufficient capital he can go into another state and start a new office. Those of you who have started new places in normal times know it is very expensive, and by the time one reëstablishes his business and his home in another state his capital will be somewhat impaired. Then, in the new state, he is taking the same chance he took in the last place.

The chain operator has the advantage of the ideas he gets from his experience in handling several offices. As practical subjects pertinent to the success of the business are discussed at association meetings, the individual operator has the advantage of these new ideas by attending meetings of the association. Suffice it to say, if anyone can stand a reduction in the rate, it is the larger operator.

It has also been said that some operators assume the attitude of "let George do it" claiming the larger companies will take care of the legislative work, etc. The axiom, "self-preservation is the first law of nature," applies equally to our business existence. It is a fact that those who have been most heavily interested in the small loan business have always and for obvious reasons taken the initiative, when any attempt has been made to pass impractical legislation, the effect of which was to make the business unprofitable or to destroy it altogether. From time to time money lenders have been parties to long, drawn out, bitter contests and have met their defeats. This was more particularly so before that memorable conference held between representatives of the forces contending for regulation and supervision of the small loan business and lenders, who because of their having had to submit to drastic, but impractical, laws, finally decided the greatest good to the largest number including themselves would be served by compromising their differences and, if possible, agreeing upon a draft of a law which would legalize, legitimatize and standardize the small loan business.

If we have a good state association with its members scattered throughout the state, our chances for protecting ourselves against bad legislation will be much greater than if we depend on a few to do the work. The operator from outside the state is not familiar with local conditions and cannot accomplish the results which can be accomplished by a local state organization.

Mr. Kehr, in his report, as chairman of the legislative committee of the Pennsylvania Association at their meeting in November, said, after reporting on the splendid work of the committee, "If anyone wants a better example of the advantages of organized effort, he need only refer to the result of legislation in this state during the present year. What man or single organization could have accomplished what our combined efforts brought about?"

You are naturally more interested in what happens here in Iowa. You had an organization, such as it was, before the Uniform Law was enacted, but it never seemed to function properly; therefore, you derived no benefits from it.

It reminds me of the old story of the colored minister who applied for a loan. The manager asked him how much he received from his church; he said, "Oh, about $20 per month." The manager said, "That's damn poor pay; isn't it?" The old minister says, "Yes, but it's damn poor preaching they hear." This organization proposition is a game of "put and take." If we "put," we "take"; if we don't "put," we don't "take."

We now have something to be proud of here in Iowa. We have a good Law, a Law that provides a rate which is fair to both borrower and lender; a Law which has been tried out in other states, and, therefore, not an experiment. We have the respect of citizens who know the business as it is to-day. And last, but not least, we have the grand opportunity of perfecting our state association to a point where it will be recognized as a real institution with a real purpose.

We must by policing the business from the inside prove to the banking department that we are going to go the limit to clean up the business in this state. We must watch for violations of the Law and, if any are detected, they should be reported to the department.

We should take advantage of every opportunity to tell the uninformed of the new conditions surrounding the small loan business. If we are in the business to stay, we should prove by our very actions that we are out to emancipate our business from the old environments.

Education, inside and outside our own ranks, is our best line of defense and must be carried on to the best of our ability, if we are to survive.

Our national organization, the American Industrial Lenders Association, is doing effective work in states where there is no law regulating the business and no state organization. Those who operate in a single state should not overlook the fact that each state added to the "Uniform" list materially increases the stableness of the Law. It is to the best interests of every lender, large or small, to have the Uniform Law enacted in every state. What happens in one state is liable to happen in another. Bear this in mind when you are considering how much support should be given the American Industrial Lenders Association.

Our national body acts as a clearing house for state associations and individual lenders in the distribution of interesting and instructive information through the LENDERS NEWS, and otherwise. This interesting little paper is scattered throughout the country and helps carry on the much needed educational work. The subject assigned is a very broad one and even though I have been very liberal with your time I feel I have just touched the "high spots."

Ad interim remember: "United we stand, divided we fall."

(Read at the Iowa Association meeting held in Sioux City, January 31st and February 1st.)

LOOK 'EM OVER.

We are sending you a few names of people who have loans with us that have left Warren and we would appreciate it very much if you could help us in locating them.

William George, Brownsville, Pa.; J. H. Steinmetz, Leetonia, Ohio; Roscoe Hepburn, E. Liverpool, Ohio; Elton H. Wyre, Cuyhoga Falls, Ohio; Adrian Lincoln, Bayonne, New Jersey; John Allread, Barberton, Ohio; William Booher, Clarksburg, W. Va.

Very truly yours,

C. S. OSBORNE, *Mgr.*,
The Warren Finance Co.
Warren, Ohio, April 25, 1922.

ROTARY CLUB MEMBERS.

For a very important purpose, the National Secretary would like to know the number of our members who are members of local Rotary Clubs. Please advise immediately.

INDIANA.

Good Morning.
How are you to-day?
What are you going to do May 17-18th?
I know your answer now—I am going to attend the annual convention of the I. I. L. A. at Indianapolis.

Put this on your calendar pad now—"I will be in Indianapolis May 17-18."

Everything is in readiness for the annual convention, something that will be educational, an entertainment that is unsurpassed. The speaker is one of the best Indianapolis has, besides we have some very prominent men who will be with us at the banquet.

If President Harding, Governor McCray and Judge Robinson would consent to be with us, would you?

Just let me tip it off to you in a most confidential way, that you will regret it if you miss this convention.

May I suggest that you call your competitors who are not members of our association and get them to come with you,—That alone will show the coöperative spirit that prevails in the Indiana Association. *Indiana is the largest and best Association—let's keep it so.*

Remember we want 100% *attendance —that means you must come—will you be here?*

R. F. Haitz, *Sec'y.,*

Indiana Industrial Lenders Ass'n.
April 29, 1922.

MARYLAND.

A meeting of the Maryland Association was held April 11th. in the board room of the Merchants & Manufacturers Association.

The meeting was called to order by Chairman Mattingly. Nine members answered present to the roll call and Mr. Wick of Philadelphia, was present. An oral report of the publicity and the legislative committee was received and accepted. Mr. E. P. East, who was expected to be present and address the Association with reference to Maryland taking part in the American Association convention to be held in New York at a later date, failed to put in an appearance.

On motion of Mr. Wick and seconded by Mr. Hood, a committee to be known as the program committee, whose duties will be to arrange suitable entertainment for the members, was appointed. The chairman, executive committee chairman and secretary were named as members of this committee. Correspondence between Mr. Watts and the secretary with reference to our annual meeting was read. A general discussion followed in which practically all present took part. This developed the fact that the publicity committee was largely made up of out of town members who could give little attention to it. Mr. Young as chairman, was replaced by Mr. Mattingly, Mr. Young remaining on the committee. This change was made as per the request of Mr. Young. We were informed that a splendid program was in the making but that the committee will need the assistance of every member to make it big. The date of the annual meeting will be announced later.

Meeting was then adjourned to May 9th.

RHODE ISLAND.

At the regular meeting of the Rhode Island Association the main topic of discussion was the Uniform Loan Law Bill which was introduced in the house by Mr. Solomon of Providence on March 24th.

In the absence of Mr. Wood, our regular chairman, Mr. Chase officiated.

The majority of members objected to and were not in favor of the manner in which the bill was introduced, having claimed that the members should have been advised instead of having it placed in the lower house on the very last day when bills could be introduced. On motion of Mr. Lovegrove, seconded by Mr. Delaney, it was voted to put on record that the members are not in favor of having the bill passed in the present session. Vote for bill being passed three for and five against.

As there was no other business to transact the meeting adjourned.

F. H. Wickstrom, *Secretary.*

WHY USURY LAWS HAVE FAILED.

How Statutory Limits Have Been Evaded—Uniform Loan Law Recommended.

By Franklin W. Ryan.

After a period of more than thirty years during which comparatively little was written about usury and usury laws, the American business world was startled in the Autumn of 1915 by the statement of John Skelton Williams, Controller of the Currency at the time, that more than one-third of the national banks of the United States had been exacting usurious rates of interest.

Later, as interest rates on all kinds of loans rose to seemingly unusual heights during the period just after the World War, California passed a usury law in 1918 to keep them from going higher. The recent period of high rates for time money in New York in 1920-21 again brought up the question of the expediency of statutes which attempt to fix maximum market rates of interest. The papers and financial periodicals were full of articles on the subject during that period but since June, 1921, when the market rates of interest began to decline we have heard nothing more about the problem.

In June, 1921, during the progress of the Lockwood committee's investigations of the difficulties encountered by those desirous of erecting dwellings and apartments in New York City, Samuel Untermyer, in the face of overwhelming evidence that the New York usury law was being flagrantly broken by mortgage lenders, shocked the public by declaring that the New York usury law ought to be repealed.

The problem of usury laws is not new. Solon and Aristotle had something to say on the subject in ancient Greece. Livy and Tacitus thought over it. Laws dealing with interest rates appear in the history of every commercial nation. The reason that the problem is continually coming up in the United States to perplex legislators is that, at least as far as this nation is concerned, the problem has not been completely solved although some of the States are on their way to a solution.

Legislators are now faced with this problem:

Is the typical State usury law now expedient, which when it was enacted, fixed a single general maximum limit for interest rates for all kinds of loans or forbearance of money?

What is expedient, however, depends upon the point of view of those interested. The economist is interested in the effect of such laws on interest rates. The business man is interested in getting rid of the harmful effects of the usury laws. The legislator wants to find some means of social control that will prevent the taking advantage by the lender of the necessitous condition and inexperience of the borrower to get him into oppressive bargains and extort from him excessive interest charges.

Social Purpose of Usury Laws.

There is at the present time (1922) a law of the foregoing type in each of the statute books of forty-three States in the United States. It will be helpful in this study to consider the social purpose back of usury laws. For instance, certain interest laws were made for the convenience of courts, such as the statutory rate of interest which is to apply where a court renders judgment for money due with interest. Some interest laws were made to protect merchants, as for instance, the statutory rate of interest collectible on overdue accounts. Other interest laws were made for various purposes.

There are, however, but two social purposes which have brought about the passage of statutory maximums for interest rates, namely, (1) a desire to prevent the lender from making oppressive bargains with the borrower by taking advantage of his necessity and inexperience, and (2) the desire to "fix the price" of money. The desire to protect the borrower from oppressive bargains has been the chief motive for the American usury laws. But paradoxical as it may seem the same motive has been the cause of the repeal of similar laws in Europe. It has been the motive for recent enactment in many States of special statutory maximums for interest rates on consumers' loans popularly known as Small Loan laws.

In most foreign countries it has been found that lenders could be prevented, in most cases, from taking advantage of the borrower by means of non-rate-fixing laws which strike directly at the evils to be eliminated.

There are two definitions of usury, the legal definition and the moral definition. Legal usury is simply taking more than the law allows. Moral usury is the actual taking advantage of a borrower because of his necessities and inexperience to get him into a hard bargain. Much confusion has been caused by not keeping these two definitions clear.

The economists have rendered a great service by proving that setting up the legal definition of usury will not get rid of moral usury. Legislators have thought this could be done but the forty-three usury laws in the United States which are continually broken and which cannot be enforced are testimony to the fact.

An outstanding feature of the statutory maximums for interest rates in the United States is the great variety in these maximums. The rates get gradually higher

as one goes westward. Five of the States have no limit to the market rate of interest.

In the year 1846 the entire country was astounded and made indignant by the celebrated case of the New York Dry Dock Bank versus the American Life Insurance and Trust Company. By this decision the bank was released from any obligation to return about $220,000 which it had borrowed in England merely because there was shown to be legal usury. Soon after this New York State passed a law that no corporation could plead usury. This, of course, affords a method of circumventing the law. In periods of high interest rates many firms were compelled to incorporate in order to borrow money.

Law Whittled Away.

The New York usury law has since been whittled away in other particulars. Call loans have been excepted from the law. In the case of banks, interest only is forfeited for usury. Court decisions have made it legal for note brokers to sell commercial paper at any rate or discount at which they can find purchasers. Small loan laws and pawnbrokers' laws have taken consumers' loans completely out of the scope of the usury laws. Furthermore Federal Reserve banks can charge any rate for rediscounting that they care to charge since rediscounting is essentially a sale with agreement to repurchase.

Thus, the New York usury law remains an anachronism and a dead letter. It merely prevents firms of bankers, merchants, manufacturers and brokers from contracting for money on time at more than 6 per cent. But all kinds of ways of evading the law can be found outside of the contract rate. Requiring the borrower to keep a balance of 25 per cent. of the amount of the loan, commissions, bonuses, sales and various means can easily be used.

The usury laws of Europe have gotten away from statutory maximums. Where they exist at all they apply only to moral usury itself. In England and India the courts decide whether there is moral usury or not under the Money Lenders' act of 1900. Germany has a law which makes the legal and moral definitions of usury coincide. In Germany moral usury voids the contract. In England and in India the court can remake the contract if moral usury is established.

This shows a very important point. Under the operation of the American system of statutory maximums for preventing usury, the issue of moral usury can never arise in a lawsuit. But in other countries under the operation of non-rate-fixing laws, when a usury case comes up for trial the court must first determine whether there is moral usury before taking action. Yet the legislators who framed the American usury laws intended that they should eliminate moral usury. Setting up the legal definition makes it impossible to raise the true issue in a trial.

A usury law is in its nature a sumptuary law. It attempts to set a price on something that is inevitably set by the law of demand and supply. The market price for the use of capital fluctuates independently of statutes. History has proved that sumptuary laws will not work.

But there is an exception to this rule. In the case of consumers' loans where the borrower is in difficult circumstances and is absolutely compelled to borrow at any price, the price which the borrower pays is something more than the interest rate. This price is not determined at the margin. In cases of this kind the State is justified in fixing maximum rates.

200 Per Cent. Interest Rate.

A few years ago the activities of a particular type of money lender began to attract wide attention in the United States. Because of his notorious practices in exploiting the financial extremity, actual or imagined, of poor people who were unable to borrow money from banks, so as to extort from them unduly high rates of interest, he was called "loan shark." Because of the necessitous position and urgent situation of borrowers, when seeking such loans—oftentimes to get money to bury a child or to buy medicine for a sick wife—such lenders could get almost any rate they asked for their loans. The rates were often as high as 200 per cent. a month.

As the usury laws stood in many States a lender who charged more than the statutory maximum for such loans must break the law. Nevertheless, no one would lend money on such loans at the legal rates because of the high risk of loss involved and because of the high overhead costs of conducting such business. The risk of being punished under the law must also be charged to the borrower. The whole situation, the unknown risks the lender took, the mischievous and inoperative usury laws, the condemnation from all classes of society, his heavy losses where he could not collect the loans and the fact that he was continually guessing in the dark and in many cases making no profits, tended to make him cold-blooded. He was popularly branded as a criminal; society was against him; his business was illegal.

Commercial bankers were getting rich charging only 5 to 7 per cent. interest. Many small lenders were losing money at 200 per cent. Men who wanted the approval of society would not go into the field of consumers' loans. Those who went into the business must have added compensation for breaking the laws.

In recent years the difficulty has been met in many States by the enactment of small loan laws. Such laws take consumers' loans completely out of the scope of the general usury laws. A small loan law typically fixes a maximum of 3½ per cent. per month for this type of loan. It has been found by careful study and investigation that this rate is fair and just. It enables the lender to make a fair profit on his loans after allowing for his risks and overhead and his losses. He does not have the advantage of lending out deposits of money as commercial banks have.

Pawnbroking Governed.

Credit for the enactment of the small loan laws belongs chiefly to the work of the Russell Sage Foundation of New York. This institution was instrumental in establishing from twenty to thirty corporations known as "remedial" or "provident" loan associations in many of the larger cities. The Russell Sage Foundation discovered a great many fundamental facts in regard to the making of consumers' loans. Upon the basis of these findings the various small loan laws have been enacted. Such laws fix severe penalties for violations. The most important provision, however, is that the lender has to keep daily records which are open to public supervision. In some States the small loan law governs pawnbroking; in other States there are different types of laws for pawnbroking and for small unsecured loans.

During one year after the enactment of the Uniform Small Loan Law in Illinois, there was saved to the small borrowers of that State a sum aggregating at least $5,000,000.

In 1921 New Hampshire had the distinction of having the oldest usury law in the United States. This law had remained unchanged on the statute books since 1791, a period of 130 years. During the 1921 session of the New Hampshire Legislature the agricultural interests held the balance of power and carefully examined each bill that came up to determine its possible advantage or disadvantage to them. This was but a local manifestation of the agrarian movement which is now being felt in nearly all of the United States. A bill repealing the usury law was introduced early in the session. After several hearings the committee reported favorably on the bill. This report was adopted by the House and later the Senate passed the bill by a vote of 12 to 11. After the Governor had signed it there was an attempt made to reëstablish the old law without success.

The old usury law provided for a maximum rate of 6 per cent. with a penalty of forfeiture of three times the excess of interest for violations. As a result of this law considerable sums of New Hampshire money instead of being loaned in New Hampshire were being loaned in other States. Many law-abiding bankers were getting less than the real value for lending their money.

Small Loan Law Effective.

In order to get the usury law repealed the needs of the farmers were emphasized. The agricultural interests wanted better roads. In order to get better roads the counties would have to borrow money. To get the money in New Hampshire on the most favorable terms the usury law would have to be repealed. This line of argument won over the farmers' vote. New Hampshire already had a small loan law which was operating to prevent moral usury.

Wherever a small loan law is enacted it has done away with the necessity of a usury law. This is true because the small loan law accomplishes effectively just what the legislators desired when they enacted the original usury law.

On the basis of the foregoing considerations we can now draw the following conclusions:

1. Legislators enacted usury laws to prevent moral usury.

2. Statutory maximums are powerless to control the market rate of interest in commercial transactions.

3. Statutory maximums are mischievous and detrimental in their effects upon business relations. They compel business men to break the laws.

4. Statutory maximums defeat their own social purpose because they set up

the definition that usury is the taking of greater interest than the law allows. This legal definition makes it impossible in a usury trial to raise the issue of moral usury.

5. The Uniform Small Loan Law as enacted in a great many States is the most effective means yet discovered for eliminating moral usury. It legalizes the small lender's business and gives him a fair profit. It reduces the rates charged to the borrowers and eliminates illegal transactions.

6. The enactment of a uniform small loan law in any State by taking the control of small loans out of the scope of the old usury laws takes away any reason for the existence of the old laws. The old laws were made to prevent moral usury. Moral usury occurred only in the small loans.

7. Small village banks which have to lend to people of small means and thus perform the function of the small lenders are justified in charging the same rates as the small lenders.

8. In recent months the problem of the usury laws has ceased to perplex the public and the legislators. People are now "obeying the laws." But the laws have nothing to do with the case. We are in the stage of the business cycle where declining interest rates are in order. After the close of this period and when business again enters a period of high money rates, as it probably will in the next two or three years, the problem of usury laws will come up again.—*New York Times, April 9, 1922.*

GOOD WORK.

Columbus, Ohio, April 19, 1922.
Mr. G. W. Kehr,
Harrisburg, Pa.

DEAR SIR:

Enclosed you will find a letter received from Attorney Strayer representing three of the loan companies at Richmond, Indiana.

Through a little effort on our part their man was located, with the results this letter shows.

Yours truly,

B. L. THUMA, *Mgr.,*
The Capitol Loan Co.

Richmond, Indiana, April 17, 1922.
Mr. B. L. Thuma, Mgr.,
The Capitol Loan Co.,
Columbus, Ohio.
MY DEAR FRIEND:

I did not get to return to your office to see you in person. It was after seven o'clock before we got our man arrested. It was pouring down rain, as you will remember, and it was necessary for us to start for home.

It is the pleasure of my clients and myself to extend to you our sincere appreciation for your hearty coöperation in this matter, and all that we can do is to express ourselves in words of appreciation, to the end further that we will be able some day to show such appreciation and in keeping with that promise put us at the head of your list for service.

With kindest regards, I am,

Yours very truly,

FRANK T. STRAYER.

INDUSTRIAL LOAN CONVENTION HELD.

A. K. Dolliver, Local Office Manager, Attends Meeting Held in Bridgeport.

A. K. Dolliver, manager of the local office of the Beneficial Loan society was among those who attended the state meeting of the Connecticut Industrial Lenders' association which was held at the Hotel Stratfield, Bridgeport, Wednesday. The association is composed of men engaged in the business of making small loans in this state under the law of 1919 which was passed for the purpose of eliminating the old "loan shark" evil.

The headquarters of the Beneficial Loan Society which operates offices in this city and in New Haven, Hartford, Bridgeport, Meriden, New Britain and Waterbury was represented at the meeting by George Hodson of New York City, the vice-president of the company, who spoke of the power of courtesy in business and showed how the opportunity afforded the people of the state to obtain loans had helped many persons in their time of need.

Edgar East, of New York City, vice-president of the Equitable Industrial Loan society, which operates offices in New Haven, Bridgeport, Waterbury and Hartford, read the newly framed objects of the state association which are to protect the borrowing public against usury and extortion in small loans and to actively assist in prosecuting the "loan shark."

H. P. Stephenson, of New Haven, superintendent of the Beneficial Loan society, emphasized the power of efficiency, service and coöperation. H. G. DeWeese, secretary of the national association, told how the national fight to eliminate the loan shark was succeeding in many states. Attorney William E. Burton, of Bridgeport, spoke of the need of new legislation to further combat these evils.

The next meeting of the state association will be held in New Haven, June 28th. The national association will have its annual convention in New York City, Sept. 20-24.—*New Britian Daily Record, April 13, 1922.*

PENNSYLVANIA.

The regular meeting of the Pennsylvania Association was held at Hotel Chatham, Pittsburgh, Thursday, April 27th.

At the business meeting, Mr. V. D. Moss of Philadelphia, supervisor of the Guarantee Loan Company system spoke on and discussed in open forum the subject, "Mr. Lender, Are You Educating the Public?" and Mr. D. L. Gill, manager of the Household Loan Company, Pittsburgh, spoke on and discussed in open forum the subject, "Making Circulars to Former Customers Bring Results." The latter was illustrated by displaying circulars that have proved successful.

At the dinner, Mr. A. L. Olson, of the Alexander Hamilton Institute, spoke on the subject of "The Soul of Business," Andrew G. Smith, Esq., spoke on the subject "Great Britain and Ireland" which was followed by a "Wireless" demonstration by Doubleday Hill Company of Pittsburgh.

AN ADDRESS.

By W. E. Tuttle, Banking and Insurance Commissioner of New Jersey.

Mr. Toastmaster, Ladies and Gentlemen:

It is a great pleasure for me to be with you on this occasion. I have met most of the members of my very large family, but I think this is the first opportunity I have had to meet the Industrial Money Lenders.

Under the supervision of the Department of Banking and Insurance, there are financial institutions of a very great variety. From the great Insurance Companies of New Jersey who lend huge sums, the Trust Companies and the banking institutions who keep our business going in the State, the Savings Banks who care for the savings of a great portion of our people, the Building and Loan Associations who are so amply providing our housing needs, to this Association which meets the wants of our humble citizens, those who are required to make loans in emergency and without being able to offer securities,—all of these institutions are of very great service and use in our great State. But, I am inclined to think that the Building and Loan Associations and the Associations such as yours, The New Jersey Industrial Lenders Association, contribute as much, possibly, to the well-being and contentment of the people at large as the others.

Senator Egan performed a great service in introducing a Law which has turned out, as he says, to be regarded as practically perfect, no amendments to it having been offered during the term that it has been in force. In New Jersey we are fortunate in having our banking laws and our insurance laws in much that same condition. Our laws are regarded as models by many of the other States, and during the last two legislatures there have been practically no changes, of importance suggested, and this State should be very grateful indeed for the services which we have had from men like Senator Egan and others who have framed our laws in a fashion so conservative and in such a fashion that they will stand the stress and strain of changing seasons of prosperity and depression.

There is no State in the Union which occupies quite the position that New Jersey does to-day. Our recent reports from the banks, trust companies and savings banks of the State show that during the last year great gains have been made in their resources and deposits and these gains reflect the business condition, progress and prosperity of New Jersey. I do not know that we all realize what an exceptional place we hold and how much better off we are than the States of the Union, generally. Our splendid position here on the Eastern Seaboard, lying as we do with two great deep water fronts, our accessibility to the great ports and financial centers of the world, lying as we do here between Philadelphia and New York, easily accessible to all the natural resources of the country, to the fuel supply, and ranking among the first three States of the Union, although we are forty-fifth in point of area, among the first three in wealth, agricultural products, manufactured products, mineral resources, railroads, highways, schools and many other of our State institutions. We are

growing faster than the other States in population. We have been exceptionally well governed; we have been economically governed, and it is a striking fact that the debt of this great State is but four cents per capita, while the debt in many of the other states is $6.70 per capita. Our taxes have been but one mill on the dollar. Our taxes are lighter, the cost of our Government less than the other states, and much of this has probably been brought about by the fact that our Government has been continuous and in a way bi-partisan. There is not the politics in the Legislature at Trenton that many of our people are lead to believe. Our Legislature, when it is in session, rarely divides on party lines. The members may make faces at one another, but most of them are there to do service for the State and legislation is usually enacted by the best business judgment rather than by partisan feeling. Our executive departments have, in their administrations, men who have been there for decades; men who have been employed for their efficiency, regardless of their political affiliations. In our own department, commissioners have come and commissioners have gone but we have kept there the faithful men. We have never employed, nor have we ever discharged, a man because of his political affiliations, and as a result we have in this State what we believe to be as fine a Department of Banking and Insurance as exists anywhere in the Union, and I know that our rulings and our laws are copied extensively throughout the country. You men are enjoying the benefits of this kind of legislation and law-making.

Your chairman referred to my experience in Washington some eight or ten years ago when there was a so-called Loan Shark Bill adopted. Many of you will remember the unfair and prejudiced points of view that were taken by the Congressman who debated that measure. I am told that the Law which was finally passed to cover the District of Columbia resulted in depriving the citizens of that district of the benefits of such associations as you have. That may have been the result of partisan and prejudiced legislators. Fortunately, in New Jersey, we do not go at it in that way.

Senator Egan has suggested that changes might be recommended to advantage by our Department. You may all rest assured that should our Department be honestly and fairly convinced that changes are justified in this Law, we would be glad to stand behind them, but they will first be given fair consideration and the other side will be heard, and we will be in position then to satisfy the public of any claims or demands of this kind.

I am delighted to know that these Associations are in the hands of such men and women as are before me. I am glad to know that you have organized an Association and are interested, because you are going to accomplish much by this united effort. You are going to be able to see yourselves as others see you and I hope that this Association will continue to succeed and that you will always bear in mind, as you do now, the interests of the public at large.

(Delivered at the New Jersey Association meeting held in Newark, Feb. 23rd.)

CHATTEL LOANS.

Clarence W. Wassam, College of Commerce, State University of Iowa.

Social workers have for several years been interested in the problem of the so-called "Loan Sharks." By the term "Loan Shark" is meant the person or corporation which makes a practice of loaning a small amount of money to persons in destitute circumstances and the common practice has been to demand what would be, if all the charges were taken into account, a very high rate of interest. These loans are generally secured either by furniture or an assignment of wages. Several extensive investigations have been made in different cities and the evils of this unregulated business are generally recognized.

The Iowa Legislature in 1915 passed a law limiting the amount of interest which could legally be charged either directly or indirectly to 2% a month but the law also allowed in addition a reasonable charge for the investigation and inspection of the security, and for drawing up the papers not exceeding one dollar, and for recording the same. The cost of inspection and investigation was not to exceed 10% of the amount loaned when the loan is under $50.00 and in no case could the charge be over $5.

The Thirty-Ninth General Assembly (Ch. 35) passed a much more comprehensive act which if enforced should greatly improve conditions as they have existed in some of the larger cities of the State.

Section One of the act requires every person or corporation engaged in the business of making loans of money, credit, goods, or things in action in the amount of $300.00 or less to secure a license from the Superintendent of Banking of the State. The license fee is $100.00 a year. The law also requires that a bond of $1,000.00 be filed by the person or corporation doing this line of business and that the license shall be kept conspicuously posted in the place of business of the licensee. The law allows a charge of 3½% per month, if a greater charge is made the lender cannot collect principal, interest or additional charges.

The one great difficulty that investigators have always encountered in connection with the so-called "Loan Shark" has been that his business was carried on in secret. The advertisements always promised perfect secrecy. "No one will ever know of the loan, not even your wife or your employer" was a very common expression used. The Iowa law very wisely requires that the books shall, at all times, be open to the proper official and that no assignment of future wages or mortgage on furniture made by a married man will be binding unless signed by his wife. The law also requires that the lender cannot collect, through assignment of wages, a greater amount to apply on the loan than 10% of the wages of the borrower at any one time when wages are paid. Any charge in addition to the 3½ per centum per month is prohibited except in cases where a lawful fee is paid to a public officer for filing or recording any instrument to secure the loan.

The provisions of this act shall not apply to any existing private bank or bankers doing a general banking business or to any person, copartnership, or corporation doing business under the law of this state, or of the United States relative to banks, trust companies, building and loan associations, or licensed pawn brokers, nor to any domestic corporation entitled to the benefits of Chapter 151, Acts of the Thirty-Eighth General Assembly, relative to loans and loan corporations.

Iowa Law Bulletin, Nov., 1921, pp. 42-43.

NEW YORK.

The following interesting information is extracted from the Annual Report for the year ending December 31, 1921, of the Superintendent of Banks, relative to personal loan companies and personal loan brokers.

"No personal loan company or broker has been authorized during the year 1921.

"Summary of the resources and liabilities of the personal loan companies and personal loan brokers of the State on the thirty-first day of December, 1920 and 1921, as reported to this Department:

	Statement of condition 1920	*Statement of condition 1921*
Resources		
"Cash in office,	$7,949 08	$8,491 36
Cash on deposit,	26,204 23	39,156 44
Loans on mortgage of personal property,	603,881 11	654,003 06
Loans on notes secured by pledge of bonds or interest bearing obligations of the United States,	26,357 84	20,038 53
Loans on notes endorsed or guaranteed by persons other than the borrowers,	189,477 98	213,561 15
Loans on assignments or orders for the payment of salary or wages,	908 70	922 50
Pawnbrokers' loans,	66,713 09	96,775 53
Furniture and fixtures,	9,530 38	8,414 80
Other assets,	91,348 08	64,831 21
Total resources,	$1,022,370 49	$1,106,194 58
Liabilities		
"Permanent capital,	$646,875 00	$661,900 00
Surplus,	109,487 72	133,042 86
Borrowed money,	255,360 74	300,246 40
Other liabilities,	10,647 03	11,005 32
Total liabilities,	$1,022,370 49	$1,106,194 58

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INDUSTRIAL LENDERS NEWS

Official Organ American Industrial Lenders Association Which Is a Member of the Chamber of Commerce of the U. S. A.

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GETTING ACTION.

The greatest national convention is beginning to take form and to show preliminary speed. At a special meeting of the National Convention Committee, held in Philadelphia, on May 5th, many of the details of the program were up for discussion and the task of working out the big events assigned to various members. Subjects covering all the vital topics of the new commercial and financial situation which this country has developed since the war are being assigned to prominent speakers, many of them, men of country-wide reputation.

Aside from the heroic efforts that are being made to insure the forthcoming Industrial Lenders' Convention proving the most important gathering since the formation of the Association; and aside from the countless "side shows" that New York will offer, there is yet another reason, more forceful than all the others, Why every progressive industrial lender should be on hand: and that is the fact that the real beginning of this country's business revival is scheduled to get under way on almost the very days set for the convention. Roger W. Babson, one of the world's most noted economists; Charles M. Schwab, "master mind" of the steel industry; President Harding and Director Harding of the Federal Reserve System, and Secretary of Commerce Hoover; all these look for the inauguration of a gigantic swing toward sound business during the very days when our own National Association is meeting to discuss what part the industrial lenders of the country will take in this work of returning health to the nation.

Many of the State Associations have already lined up for the convention. The Pennsylvania State meeting, recently held at Pittsburgh, has declared itself for attending the national gathering in a body. Connecticut, New Jersey, Massachusetts, and New York have all had meetings and have voted to break all former records as to attendance for their states at the September Conference in New York City. Indiana and Illinois have just held the largest and most enthusiastic conferences those states have ever called together, and have declared themselves for mass attendance at the National. Virginia, on May 25th, true to its Southern reputation, convened a state convention that will go down in industrial lenders' history as a meeting of first importance.

The West Virginia Association has gone on record as being in the one hundred per cent class for the New York National gathering. And it is perfectly safe to predict that the same response will come from the Maryland meeting scheduled for June 6th, when the governor and a long list of other prominent men will address the industrial lenders of that commonwealth.

The National Convention Committee is making every endeavor to secure reduced railway rates for those attending the New York meet. It expects to be able to get these rates for all parts of the country. Announcements will be sent out soon covering the details of this matter, and the National Convention Committee urges all industrial lenders to send in prompt responses to these announcements. These responses are necessary both for the insuring of the best railway rates possible and also to provide the attending members with proper hotel accommodations. Both your comfort and your purse will be saved if every member gives this matter immediate attention upon receipt of the announcement.

HOTEL PENNSYLVANIA, NEW YORK, HEADQUARTERS FOR THE EIGHTH NATIONAL CONVENTION, SEPTEMBER 20 TO 23.

We are not yet ready to name the list of speakers who will address the convention, but we can guarantee the most critical that they will be of such fame and value that to miss them would be to miss the greatest inspirational talks that will ever come their way.

The National Convention is going to be *national* in spirit and in size and in value. It will be a "three-ring" success from every standpoint. No city in the world offers as many attractions for pleasure seekers; no city offers as great a variety of interesting and historic monuments From Coney Island to the statue of Liberty; from Wall Street to the midnight cabarets; from the glorious Hudson to the towering Woolworth building: all over the giant city and its surrounding districts are to be found points of the greatest interest.

But most of all let us impress upon you that the National Convention, *your* National Convention, calls you. That no other engagement can compare with it for vital importance. Here you will get that viewpoint of the future of your business that will prove of daily and hourly value to you in all your operations.

The industrial lenders must now make a place for themselves in the economic structure of this country. The place is waiting for us, the business and social interests of the country are ready to receive us at our full value. But it is up to us to prove ourselves worthy of the place; and we can only do it through united effort.

Let nothing interfere, let nothing stop your working among your associates. Make this convention all that it can be made. Each of you have a great responsibility and a great opportunity. Do your part.

CONVENTION COMMITTEE,
EDGAR P. EAST, *Chairman.*

Eighth Annual National Convention, New York, Sept. 20 to 23

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Unorganized States.—R. M. Rutherford, 175 Fifth Ave., New York.

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The National Council is composed of the National Officers, Vice-Chairmen, and Committee Chairmen.

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Va.—H. L. Keiss, 205 Wither Bldg., Norfolk.
W. Va.—F. H. Withrow, 27 Arcade, Charleston.

CONVENTION FINANCES.

Everyone interested in the business of making industrial loans is keenly interested in watching the developments of the committee in charge of arrangements for the next National Convention, to be held in New York late in September. From the various sources accessible to me, I have learned of some of the committee's plans, and I want to confide to you they are extraordinarily unique, educational, and inspiring. I would like to "let the cat out of the bag," but I fear I could no longer live so long as there remained members on that committee, if I did.

The Finance Committee has sent out several calls for contributions in furthering the convention committee's commendable plans. Through an assessment feature the Connecticut, West Virginia, Maryland, Massachusetts, and New Jersey Associations have already remitted their checks. At a recent meeting of the Pennsylvania Association a similar contribution was approved, and check for which should be received most any time. I am likewise expecting favorable action and check from the Virginia Association shortly.

As the contribution per member made by the State Associations was necessarily modest, there is still a large sum to be raised through individual contributions if the ambitions of your Convention Committee are approached. There can be no doubt but that the Convention Committee is entitled to the fullest support in furthering the best interests of the Association, the loan business and the joint interests of its members.

The Finance Committee is appreciative for this loyal and generous support and whole-hearted coöperation. It is of vital interest to every lender in the East to participate in acting as hosts to the Western membership and their friends. It is proper encouragement to the committee who out of their own purse and from their own time are giving far more than they will receive credit for.

All Eastern lenders desiring to participate are financing the exceptional program of the Convention Committee which is taking on an aspect that in quality and proportions has never been attempted by a convention committee. Their plans are amply justified. None can presume that it is extravagance to support a program which will intensify and popularize favorable public opinion concerning the loan business, and those engaged therein. The Finance Committee encourages suggestions, moral and financial support.

C. G. MUELLER,
Chairman, Finance Committee.

ILLINOIS.

BY L. T. BAKER, *Secretary.*

On April 28th, at 3:00 o'clock in the afternoon, our men began to gather in the Rose Room of the Morrison Hotel, Chicago, and sat about in little groups, indulging in friendly chats, until twenty or twenty-five licensees were there and Chairman Snite called the business session to order.

The secretary reported for the Membership Committee, showing 77 members, with 67 in good standing. Following the report of delinquents several members present volunteered to call on those members who had not paid their dues, and it is sincerely hoped that every one who is in arrears will immediately send in their check to either the Association Secretary or Treasurer Lynch. Report also showed nine resignations since the organization of our Association, most of them being caused by the licensees having gone out of business.

On motion of Mr. Skinner, duly seconded, the secretary was authorized to suspend those members who refused to pay their annual dues.

Application for membership from the Welfare Loan Society of Centralia, Ill., was then presented for adoption or rejection, and upon motion of Mr. Turgrimson, and seconded by Mr. Broughman, of Marion, Ind., the Welfare application was accepted.

At the last meeting, the chairman and secretary were requested to work up a State Association emblem, and several samples were shown. It was thought best, however, to delay any definite action in the matter until next meeting.

Our executive committee appointed Mr. Rose, of the Chicago Mortgage Loan Company, as a delegate to attend the managers' meeting of the Indiana Association, which was held at Marion, Ind., February 3d, to incorporate, if possible, good features of that meeting in the work of our Illinois Association. Mr. Rose's report is as follows:

MY IMPRESSION OF MANAGERS' MEETING, HELD AT MARION, IND.,

FEB. 3, 1922.

First, I think considerable credit is due Mr. Broughman, who had much to do with the successful handling of the meeting in the way of assuring attendance, providing a suitable meeting place, getting almost unlimited publicity, and being able to get such speakers as Senator Gemmill, who introduced the Indiana three and one-half per cent bill, also the Mayor of Marion, the prosecuting attorney, the entire 12.13 club which is associated with the Marion Chamber of Commerce, and included the president of the Kiwanis Club and a representative of many other civic clubs.

The meeting was well attended; about 60 to 65 were present.

Marion has very poor hotel accommodations, so that the meeting was held at the Elks' Club, in very nice quarters.

Mr. Broughman being former Exalted Ruler of the Elks, was able to arrange for this.

Right here it may be well to say a word about "Community Standing."

If the loan men in the small towns of Illinois stand as well in a civic way in their community as Mr. Broughman stands in Marion, I feel sure their combined influence would have a far-reaching effect on adverse legislation in this state.

Marion, Ind., is a city of 23,000 population.

There are nine loan concerns doing business in Marion, eight of whom are Association members.

We here in Chicago think we have competition, but think of nine loan offices in a town of 23,000. Apparently we know very little about real competition.

These Indiana fellows seem to be very friendly competitors. There seems to be a spirit of faith in one another that I sometimes think our Illinois Association lacks.

Just how can we hope to acquire community standing when we really lack faith in one another? We are not ready for complete social recognition nor ask others to think well of us until such time as we think well of one another.

I submit the program of the Indiana Association.

The first paper, read by Mr. Burrell, manager of State Loan Company, South Bend, was:

How we advertise our office:

It is his idea that the manager being human will eventually die, be transferred or fired, so that he thinks the manager should sink his identity, and that the customers are not interested in the manager's personality but in the kind of service he renders. I am afraid I don't subscribe to his ideas.

The next paper, by Francis L. Thompson, manager Capital Loan Company of Shelbyville, was entitled "How We Raise Our Community Standing."

His idea of how to conduct his office was absolutely the opposite of that of the first speaker, Mr. Burrell. I think his paper was very good. He had evidently given his subject considerable thought.

The next on the program was a talk by Mr. George Farrington, manager of State Loan Company of Indianapolis. His subject was, "How Our Association Memberships Assist Skip Collections."

His talk was very good. Small operators of one or two offices are able to get collection service on skips that is worth more than both their State and National Association dues if they only stop to give it some thought.

The remainder of program was as follows:

How we decrease our losses.
How we look after collections.
How we keep our customers.
Luncheon Spencer Hotel.
Address of Welcome by Hon. G. R. Daniels, mayor.
Loan Companies under Uniform Law, by Hon. Willard B. Gemmill.

The afternoon session was started at 2 P. M. by address of National Chairman W. G. Wood who read a specially prepared paper that was very good. Mr. Wood also read his paper prepared for Iowa Association which he was unable to deliver due to illness.

Both of Mr. Wood's papers were very good and I think it would be fine if Mr. Weinschenk can be prevailed upon to read them at our next meeting.

A comedy skit on an old time "Loan Shark" office was next presented by Marion members. If the two young men who took part are as good loan men as they were actors they are a credit to the offices in which they are employed. It was really very good.

General discussion followed.

My impression is that managers meetings can be made to be a fine thing if it is done right.

It took most of us many years to accumulate what knowledge we may possess of the loan business and we can't hope to impart the knowledge it took years to accumulate in one paper in one evening even on one subject.

Another thing. We all know our association was formed for coöperation and mutual protection. We can't hope to get more out of our meetings than we put into them. Too many of our members have the "Let George do it" spirit.

If these managers meetings are to amount to anything every manager and owner must take part.

No one individual or no one organization has all the bright ideas. All can benefit.

If all take part you will find that many of our members can get valuable hints on *things not to do* as well as *things to do* in the conduct of their business.

If this discussion is frank (and it will do no good unless it is frank) some managers or owners may feel that an attempt is being made to dictate the conduct of their office by association influence but of course nothing of the kind is intended.

Differences of opinion are bound to develop but if we have the faith in one another that we should have no ill feeling should be aroused.

I can't see that the idea of having a strictly managers meeting is a good thing. The policy of every office naturally must be dictated by the owner. I think all should take part both managers, owners and outside men. One man's ideas on one subject may mean much or may mean nothing but if twenty-five men in the same business have the same idea then their consensus of opinion should give food for thought to one or two men who have a dissenting opinion on the same subject.

Why call it a managers meeting? Everyone who attends any of our meetings is vitally interested in the conduct of the loan business. I think every owner and employee should take part.

The idea of discussing practical subjects is good but our procedure is bad.

Let's do it right. D. H. Rose.

Mr. Napier then gave us a report on the promiscuous lending, which seems to be more or less prevalent among certain industries by employees who are not licensed. He also covered the Galesburg case, which was touched upon at our last meeting.

The forms of affidavits on overcharges which were recently sent out came up for discussion, but apparently everyone understood their purpose and had no comments to make.

In the absence of Mr. Woll, who is chairman of the Finance Committee of the National Association, a letter from him regarding a proposed change in the method of levying national dues was discussed.

The Chair then called for nomination of a delegate to attend the National Convention to be held in New York, September 20th to 23d of this year. Upon motion by Mr. Turgrimson, duly seconded the Illinois secretary was unanimously appointed. All members should feel free to send suggestions to the delegate on any matters which they wish brought before the National Convention. A form for this purpose will be distributed among our members in due course.

In the absence of Mr. Harbison, members were advised that the executive committee had authorized the publication of a full page advertisement in the Blue Book of the Chicago Association of Commerce, which is practically a duplicate of last year's ad.

Recently the members of Subdivision 55 were requested to subscribe to the support of an orphan each in the poverty stricken Armenian district. The Near East Relief Committee, some of the officials of which are Louis W. Baird, Charles W. Folds, Geo. M. Reynolds, Frederick J. Mitchell, W. T. Abbott and Rufus C. Dawes gave us a quota of 20 orphans, which necessitated the raising of $1200.00. The following letter which is signed by Wyllys W. Baird, former president of the Chicago Association of Commerce is self-explanatory.

Chicago, Ill., April 25, 1922.

Mr. L. T. Baker,
Sec. Illinois Lenders Assn.,
109 N. Dearborn St.,
Chicago, Illinois.

Dear Mr. Baker:

We desire to express to you our deep appreciation of your most excellent response to our appeal for the starving children in the Near East. We are glad for this proof of the sympathetic and generous hearts of the men of your association in answering calls of distress whenever they are presented.

The Chicago Committee for Near East Relief has undertaken to care for ten thousand orphans in the orphanage at Alexandropol Armenia. This is part of the nation-wide campaign to save the lives of not less than half a million women and children in Bible lands, said to be the most defenseless people in the most desperate situation in the world.

Five thousand orphans were assigned to the trades of Chicago, and your division the Licensed Lenders was the first to go over the top in raising its entire quotá in less than a week. Your quick action to meet this need as well as your generous contributions have been an inspiration to the Chicago Committee, and have proved to the other trades the possibility of the full accomplishment of their task.

The call of a Christian nation—about to be blotted out—had reached the ears of America. We are their only hope. We have responded with food, clothing, shelter and love. A Christian nation will live, because we do not fail them in this *crisis* hour.

Please accept from me the thanks and gratitude of the entire Chicago Committee for your timely aid and kindly coöperation, and be assured that every little child whose life your deeds of kindness may touch will rise up and call you "blessed."

Sincerely,
(Signed) Wyllys W. Baird.
Chairman.

A Mr. Harkins, who was instrumental in the organization of a Clearing House for the Chicago Automobile Financing institutions then told us something about their method of procedure after which Mr. Farrington of Indianapolis told us about their Bureau of Exchange, which has been operating for the past 20 years and which is successful and of great benefit to all Indianapolis licensees. It it hoped by many Chicago lenders that such a central information office may be opened here.

The business session was then adjourned and convened again at 6:45 in the Rose Room, which had been nicely decorated and in which 73 persons sat down to a steak dinner, which pleased and satisfied all. During the dinner we were entertained by three musicians from the Sunny South.

We were delighted to have as guests Judge James A. Baldwin, formerly of the Department of Trade and Commerce, Miss Cartmille, our State Examiner, A. L. Whitmer of Sioux City, Iowa, secretary of the Iowa Association and T. J. Harrison of Waterloo, Iowa, who is chairman of that Association together

with A. C. Broughman of Marion, Indiana.

The remarks of these persons were very entertaining and pleasing.

After these several little talks, our speaker of the evening, Geo. W. Farrington of Indianapolis was introduced and delivered in his customary, very able manner the following talk, which was heartily applauded at its conclusion:

Getting a Square Deal.

By G. W. Farrington *of Indianapolis, Indiana.*

Considering what your secretary has said about my part of the program and then being obliged to listen to my remarks may make you feel like the fellow who found a box of turtles. His curiosity being aroused, he poked one of them and received a vigorous nip on the finger. When the keeper inquired what he was doing, he replied that he wanted to learn which end was the head and which the tail. "Why?" asked the keeper. I want to know whether I have been bitten or stung.

When you were youngsters and had attended school for about five years, you were confronted with the necessity of studying a subject called history. To you, history appeared to be only a conglomeration of isolated facts, dates and events, having no relation to each other or to present day problems. The progress of the human race teaches you that when nations or groups of people do certain things, that certain consequences always follow.

One outstanding principle proven by experience is that when power or privilege is mis-used, that disaster always follows with consequent *loss* of that Power or Privilege.

The Roman Empire was once recognized as superior to any other nation in military power. She did not use this power to elevate or advance mankind but used it selfishly. It was inevitable that her power should disappear.

Spain likewise acquired and lost a similar position in world affairs.

Germany failed to know the reason for the downfall of her predecessors and followed them to a much more precipitate finish.

What is true of nations is more speedily true of all industries.

Why have certain labor unions fallen into public disfavor?

They have used the power of numbers for selfish ends and disregard the rights of the public.

The Associated Building Contractors of New York City required the investigation of the Lockwood Committee to break their stranglehold on the building industry.

We, as lenders have been recognized as a special class of lenders in some states and granted a rate much higher than has heretofore been recognized as legal.

Why did the legislators grant such a privilege? Was it primarily because they wanted us to make money? It was because they wanted the public adequately and equitably served, and they granted a rate sufficient to encourage the most reputable lenders to remain or enter the business.

The rate was fixed low enough to discourage profiteering and high enough to permit a conservative profit and yet meet all emergencies.

Therefore, if we hold the making of money to be the primary object of our existence, we are mis-using the privilege given us for another purpose. We agree openly that these altruistic principles are a splendid thing (for the other fellow), but we talk privately in percentages. If, in order to show a high percentage, it is necessary to arbitrarily require all clients to strictly live up to their contracts, then we are losing something of more value than the interest. If, by any system, we fail to convince our clients that we are fair, considerate, and honorable, there is something wrong with our system.

The man who consistently shows the highest percentage of collections, however, is the one who shows the most consideration and whose customers pay because they desire to do so.

We must not regard ourselves as machines, loaning money to pieces of material, which must invariably conform to specifications regardless of any emergency. We should put ourselves in the borrower's place, treat him as one of our own kind, as one human being to another.

'Let me live in my house by the side of the road," "where the race of men go by,"

"Some are good. some are bad," "some are weak, some are strong," "Wise, foolish, so am I."

"So why should I sit in the scorner's seat?
Or hurl a cynic's ban."
'Let me live in my house by the side of the road,"
"And be a friend of man."

Since the rates of public service companies have been controlled by commissions there has been a constant pressure by the public for reduction in rates.

This is partly due to ignorance but mostly due to an unfriendly feeling toward these companies.

These organizations have not given the public any consideration and they need not expect any. Ten years ago the Indianapolis Street Railway Co., had a strike of all motormen and conductors.

While the strike was in progress, many disinterested persons destroyed property belonging to the Company. This showed the unfavorable condition of public opinion. The superintendent informs me now that they have put on an intensive Courtesy Campaign in an effort to reverse public opinion. They are succeeding remarkably well.

They have realized, as we also must, that public opinion will determine their future.

We want so many good things said about us and so few objections that no one will think of the rate but only of the service.

We do not want to be tolerated as a necessity but welcomed as a desirable necessity.

This is a new era for the Industrial Lender and he must live up to the standard expected of him by those who fixed that standard.

The real goal toward which we should strive and the one from which we have departed is expressed by Walt Mason in these words:

"When I was young, I used to dream,
Of scaling all the heights of fame.
I said: "I'll make this old world scream,
When it beholds my wondrous game,
And I had visions fair of gold
And costly gems from East and West,
For then my heart was young and bold,
And raised a rumpus in my breast.
But now that I am old and fat,
And full of prunes and shredded hay,
I say to such ambitions "Scat."
I have a better dream this day
If I can do some good to-day
I shall not murmur or repine.
If I can help some weary Jay
Whose luck in life is worse than mine
I'll seek my downy couch this night
And my old heart will grow in truth
With visions far more wondrous bright
Than all the golden dreams of youth.
I'll tell you this, my friends again
And you may paste it in your tile,
This graft of helping fellow men
Is all that makes our lives worth while."

Generally speaking, a large majority of people are honest and will give any industry a square deal if same is received. But a small percentage are unscrupulous and will not play fairly. These must be dealt with entirely different from the first named class. I have just discussed the proper treatment of those with a proper sense of justice.

It may be possible to make a profit by making loans to the unprincipled people, but other things of greater value will be lost.

The man with a perverted sense of justice is the agitator. He desires only to obtain facts and to use them to misrepresent us for his own selfish ends.

The dissatisfied customer is always the slow one. He is not rightly entitled to our service. He does not profit either us or society and should be eliminated from the field of our operations. We are placed in the same position as the lion in the story of the lion and the skunk.

A skunk once noticed that his acquaintances kept away from him and gave him plenty of territory when they passed him on the road. He thought that everyone was afraid of him and he became very egotistical.

One day he met a lion and challenged him to combat. The lion refused to fight saying: "If I fought you and gave you a terrible licking, which I would surely do, that would not benefit me. On the other hand your prestige among your friends would be greatly elevated merely because you had fought with me, but all of *my* friends would know that I had been in the company of a skunk."

The problem which naturally presents itself is, how to detect the dishonest or undesirable prospect before he gets the loan.

There are certain characteristics which indicate whether or not a man is reliable.

After examining a number of criminal photographs, I observed that they invariably have a cold, selfish eye, which shows no interest in anything outside the owner. Most of them show a very loose lower jaw which shows weak will-power. They will yield too easily to temptation and make very poor credit risks.

Another poor credit risk is the liar. This fellow can often be detected by the uncertain, nervous movements of his hands and feet while he is answering your questions. If he closes up, that is, folding his arms or crossing his legs or otherwise doubling himself up, he is

generally hiding something from you which you should know.

Also determine before a loan is made if the applicant is economical. If he spends more than he makes regularly or otherwise lives beyond his means, he is an undesirable credit risk.

Is he industrious? Does he change positions often without advancing himself? Does he fail to follow one line of work long enough to become proficient? If so, his credit rating should be far down the scale.

How about his health and that of his family? The most hackneyed and overworked excuse for failure to meet obligations is sickness. If he has a habitually sick family, you should send him to a charity organization instead of placing yourself in the embarrassing position of being his creditor.

The best method of all for detecting and eliminating the deadbeat and preventing duplication of loans in the same city is by means of a credit exchange.

The greatest menace to the ideal for which our organization is striving, is the ease with which anyone may obtain several loans on the same security in cities having no exchange of information.

In Indianapolis, such an exchange has operated very successfully for twenty years. Such an exchange, to be conducted successfully, should be limited to lenders exclusively. It should not attempt to give a credit rating to clients but to keep a record of loans made or rejected by members and furnish such facts only.

It will teach borrowers that they must pay their obligation with one loan company before they are eligible for credit with another. Their respect for their contracts will increase very materially.

In its operation the exchange should be called upon before any application is acted upon and the information received should be disposed of first, for it is "up to the minute" information.

Suits for possession, replevin, and foreclosure, as well as liens and mortgages of every description are obtained from commercial papers and filed in the records of the exchange. It is up to the Industrial Lenders to prevent duplication. When other people hear of these things, they will place the blame where it rightly belongs, on the shoulders of the lenders.

I have not time to go into further details but wish to emphasize the fact that loan men must have absolute confidence in each other to assure an Exchange a 100% success.

In conclusion I ask that you hold as your ideal the paramount aim to serve your clients fairly, equitably, and honorably and you will receive from them a square deal.

For this life is a mirror for king or slave,
It's just what we are or do,
So give to the world the best you have
And the best will come back to you.

It was then announced that our Chairman was authorized at our last meeting to select three managers who in his opinion were well qualified to prepare and handle the remainder of our program, which would consist of the discussion of practical subjects.

Chairman Snite used his usual good discretion in selecting as this committee Messrs. Steimle, Rose and Monahan. These men worked conscientiously preparing their subjects and decided that each should offer an application constructed so as to bring out important points for discussion. These applications are included in the minutes in the belief that our members will find them interesting not only for re-reading, but close study.

Mr. Steimle explains the object of his committee in his introductory remarks. Mr. Rose does the same in his concluding remarks and Mr. Monahan's application is not offered as perfect procedure and criticism is invited.

The fact that our meeting did not adjourn until 11 o'clock proves that the discussions of these practical subjects were intensely interesting. Undoubtedly, many new thoughts were conveyed to everyone present.

Whether or not to invite an applicant into a private office or talk to him at the window and whether or not it is good policy to make straight loans upon payment of monthly interest only, were two phases of the discussion which were dwelt upon at greatest length.

The remainder of this report will consist, as stated above, of the papers prepared by the managers' committee.

Introductory remarks of Mr. Steimle.

The managers' committee has held several meetings, and it is needless to state that considerable time and thought was necessary to arrange this program. At our last two meetings of this committee, we met with our association chairman and secretary and their valuable assistance was much appreciated. After careful deliberation, we concluded that the discussion of a "Loan Transaction" from its beginning to its conclusion would be most beneficial to all concerned.

Taking the transaction through its various stages, such as Taking of Application.

"Investigation and report of Investigator." Reason for approval or disapproval.

"Closing of Loan," "Method of making collections," recording of mortgages.

"Renewals" foreclosures, assignments, extensions, releases, litigation, etc.

Object.

The object of this meeting is not simply to have something to talk about, but to learn from each other the best and correct ways to handle the various phases of our business; keeping uppermost in mind the service to our customers and the uplifting of the business. As our secretary stated in his letter, "No individual knows it all"; collectively, however, we know nearly all; but if all of us do not tell what we know, the fellow who does not talk is unfair, because by so doing he receives, but does not give.

We will start the discussion to-night by meeting our prospective customer and taking his application. This will be done in dialogue form, Mr. Powell impersonating the applicant, and I the loan manager. The applicant is skeptical and particular and wants proof that we are doing an honest and legitimate business and that he will get a square deal. Please keep in mind that the applicant is *exceptionally* skeptical and must be convinced.

Scratch paper has been provided each of you, so please make notes for later discussion, because after we have finished the dialogue, each question and answer will be reread and discussed. This will be followed by Mr. Rose and Mr. Monahan, who will introduce their own subjects.

A Skeptical and Exceptionally Particular Fellow Who never before had Applied for a Loan.

Applicant.—"Good morning."

Manager.—"Good morning."

A.—I wish to talk to someone about getting a loan.

M.—All right sir; step in, I will be glad to talk the matter over with you.

A.—This is the first time that I have found it necessary to borrow money. I can get this money from my father, but I do not want him to know that I am in this predicament. I make a good salary, but my wife has been ill and we have gotten a little behind, and wish to settle with doctor and a few other obligations, which will take about $300. I have heard and read a great deal about loan companies and have always had a fear of doing business with one.

M.—What have you heard that has made you so prejudiced?

A.—I read a great deal in the newspapers a few years ago about the exorbitant cost and unscrupulous methods. It is only natural to believe what one reads in the newspapers, and feel as I do. I certainly do not want to get mixed up with such people as that.

M.—What is your name please?

A.—G. M. Powell.

M.—Mr. Powell, there are unscrupulous people in every profession and business. Take for instance; your own business, your competitor possibly is everything but honorable in his business dealings, and he and his business bear a bad reputation; it would not be fair and just to your firm who do an honorable and legitimate business to have the public form the opinion that your firm is made up of a bunch of crooks, just because they are in the same business.

A.—That is true—but I want some assurance that you are doing an honest and legitimate business, and that I may be assured of a square deal. As I said when I came in here, I have never applied for a loan before and wish to know something about the law under which you do business.

M.—Mr. Powell—I am very glad of the opportunity to explain to you everything that you care to know and to prove to you that you can do business with nearly every loan company in the state of Illinois and a great many other states and get an honest, legitimate and square deal. First of all we are under state supervision as you will note by our license. Our books are examined at least twice each year by a state examiner from the Department of Trade and Commerce, Springfield, Illinois. Everything in connection with the making and collecting of a loan is examined; should we make an error of 5 cents in computing the interest, and it is discovered by the examiner, we are compelled to return it to the borrower. The law is very plain, it provides for 3½% per month on loans up to and including $300. Interest computed on unpaid balances for actual time. In other words, if you borrow $300, repay it in 10 days, you pay but 10 days' interest. The law under which we do business has been in effect since 1917.

A.—That seems fair, but what assurance have I that you will do what you say?

M.—We will put in writing anything you wish, but here is a copy of the law. You also have recourse at the Department of Trade and Commerce, if there is anything irregular in connection with a loan.

A.—You state that your books are examined at least twice each year by a state examiner. Have you a statement or certificate of examination?

M.—No—Mr. Powell, the Department of Trade and Commerce does not issue us a certificate of examination. I believe it is just a matter of time when the department will issue such a certificate, however, here is a letter from the department which will prove to you that our books were examined March 15th—read it. (Letter is read).

A.—Well, that's proof enough that you are under state supervision. Now explain to me the cost of a loan of $300, —how it's to be repaid and etc.

M.—The cost depends entirely on the amount you repay each month or week. If you borrow $300, and settle in 30 days—the total is $10.50, 3½% per month on $300. If you repay $50, each 30 days the total cost is 36.75; the first payment would be $60.50—2d, $58.75—and the next $57.00, and so on, the interest decreasing $1.75 each month. We usually draw up the papers calling for a minimum payment of $15.00 on the loan plus interest, then you can repay as much more each month as you like. This protects you in case of misfortune. The more you repay, and the oftener you pay the less the cost.

A.—Suppose I just wish to pay the interest for a few months, would you accept that?

M.—No. The contract calls for a minimum payment of $15.00 plus interest. It is to your advantage to repay as much as possible on the principle,—even though you just paid the minimum payment you would eventually get the loan paid up at a considerable saving of interest. On the other hand if you just paid interest from month to month, you would always owe the principle, and at the time of maturity if you did not have the full amount of money to settle with, it would be a case of renewing for another period of six months or more—it is *not to your advantage* by any means.

A.—You say if I settle this in 30 days it is $10.50.

M.—Yes—the law provides for that.

A.—Can I get a loan of $300 on my piano?

M.—It is possible, yet uncertain to say, without first appraising the piano and making an investigation. It is not altogether, Mr. Powell, a matter of security, naturally the more security you offer the better, however, we look at it from a moral point of view and your ability to pay as well. One may have $5000 worth of security to offer, yet be unable to get a loan from us.

M.—(Taking app.) What is your business, Mr. Powell?

A.—Salesman—for Steele Wedels' wholesale grocers.

M.—How do you find business?

A.—Quiet at present, but looking brighter, most of my customers are buying in small quantities. On a rising market they buy in large quantities, but on a falling market they just buy enough to carry them from day to day. The market to-day is so fluctuant, with a tendency toward lower prices that it has made our business very quiet and has cut into my commissions considerably.

M.—Are you a city salesman?

A.—Yes—most of my customers are the hotels and larger stores.

M.—How long have you been connected with Steele Wedels?

A.—Four years.

M.—Do you work on a strictly commission basis?

A.—No salary and commission, $200 per month and commission; at present my commissions amount to about $100 per month. I also get a bonus of $200 each year.

M.—Have you any other income?

A.—No.

M.—Where do you live Mr. Powell?

A.—No. 1234 Argyle Ave. We have lived there two years.

M.—Rents are pretty high in that neighborhood, I understand.

A.—Yes they are. We have 4 rooms and pay $80.00 per month rent.

M.—Where did you live previously?

A.—On the South Side No. 5211 Kenwood Ave.

M.—Have you always made your home in Chicago?

A.—Yes; I was born here. I lived with my parents until 4 years ago, at which time I married. My parents still live on the South Side and are in good circumstances.

M.—What is your telephone number, Mr. Powell?

A.—Sunnyside 2314.

M.—When would it be convenient for you and your wife to have our representative call at your home?

A.—Do I have to be there?

M.—No, not necessarily so.

A.—Well, say about ten in the morning.

M.—Have you spoken to your wife about this loan, Mr. Powell, and is it agreeable with her?

A.—We talked it over last night, she doesn't like the idea but is willing, but what has my wife to do with it? Does she have to sign?

M.—Yes—both husband and wife must sign. A Chattel Mortgage, to be valid in Illinois must be signed by both husband and wife, unless of course legally separated.

A.—But I bought and paid for my piano before I was married, it has nothing to do with my wife.

M.—When you married your wife, it gave her a legal right to half of the personal property you possessed. We would not make you a loan without your wife's signature, nor would we make your wife a loan without your signature. It is a family affair with us and both must sign.

A.—Well she will sign. How much red tape is connected with this thing, is there any publicity, do you communicate with my employer and how long before I get the loan?

M.—We, of course have to send out to your house and appraise the piano. It is necessary that we see a receipt in full on the instrument, we will also want to see the lease on your apartment, your last rent receipt, and any other receipts that you may have, also to explain the matter to your wife. It is not necessary to communicate with your employer, we will, however, verify your connections with Steele Wedels. Possibly you can assure us now that you are located there. It requires only a few hour's time, in fact the time for our representative to call at your home and return to the office.

A.—I would not for a moment allow you to communicate with my employer. I have here several orders that I have taken this morning, my order book and several other papers which will prove to you that I am the man I represent myself to be, and that I am connected with Steele Wedels' Co.

M.—That is all that is necessary.

A.—Supposing that I was taken sick, lose my position, or some other misfortune overtakes me and I could not pay for the time being. Would you take the piano?

M.—Mr. Powell—the only time we foreclose a mortgage is when a man or woman can pay, but won't. We will treat you just exactly as we would like to be treated under similar circumstances. That is one of the reasons why we make your payments smaller, than you anticipate—repaying.

A.—But supposing that I could not even pay the minimum payment, what then?

M.—We would insist that you call at our office, explain your circumstances and then keep in touch with us at least once each week, until such time that you were in a position to pay. You may depend that every possible courtesy and consideration will be shown you; and we will expect the same from you.

A.—I do not expect any trouble of this sort, but want to feel that if some unforseen thing should occur, we would be treated right. Do you record this mortgage?

M.—Yes. The recording fee is $2.25 which you must pay.

A.—Do you take out any interest from the loan and is there any commission or charges for making appraisment?

M.—No—there is no interest taken out, and there are no charges. You pay interest at the time you make payments. Your interest is calculated from date of loan to date you make payment of $300, to begin with. If you repay $50.00 on the loan then your next interest is calculated on the balance $250.00 for actual number of days from date of last payment.

A.—I doubt that we have receipt on piano. It was bought from Lyon & Healy six years ago.

M.—If you haven't the receipt, we can satisfy ourselves that it is paid for and unincumbered.

A.—Suppose that we decide to break up housekeeping and put our goods in storage, would there be any objections?

M.—It would be necessary that you get our consent, then the goods stored in your name, and the warehouse receipt turned over to us. The storage would have to be paid by you to the warehouse each month. The warehouse would also be notified that we hold mortgage on piano.

A.—Suppose that we decide to sell piano, how would we go about that?

M.—Your mortgage would be on record as our protection and the protection of the public. It would be necessary that

you get our permission, and then you and the purchaser would have to call at our office and pay off the balance of mortgage. If you did not tell purchaser of mortgage he undoubtedly would find it on record, and insist that it be paid and cancelled. If it was purchased without settlement, we would be compelled to take it from the purchaser, and they in turn may prosecute you. It would be a very dangerous as well as a disastrous undertaking, and we advise that a thing of this sort should not be attempted.

A.—I do not expect to attempt anything like that, but just wanted the information. Suppose that you people should foreclose your mortgage, and we only owe $100 and the piano sold for $300.00, do you keep the whole thing, my piano cost $950.00.

M.—Mr. Powell—we are only entitled to the amount you owe us. If your piano was sold through a foreclosure and brought $300.00, we would get the balance on mortgage with interest on same from the date of last payment, no more, or no less. The court costs and attorney fees would be paid out of the sale price, and the balance you would receive from the court. Before we would foreclose, we would first give you the opportunity of selling piano for as much as you could possibly get, and then pay us off, this would save you much embarrassment, court costs and attorney fees.

A.—Well—send out in the morning. Does my wife have to come to the office?

M.—Yes. We require both husband and wife to call at our office.

A.—My wife is ill and she has a small baby, it would be impossible for her to leave the house.

M.—In that case, we would be pleased to take her signature at home. The papers will be completely filled out, the matter thoroughly explained to her and her signature taken by our representative who is a notary public.

A.—When shall I come in?

M.—About 3 P. M.

A.—Do you have any collectors or send any notices of payments?

M.—Your payments are due and payable at this office. We do not notify you of payments unless you neglect to get payment to our office on date it is due. We give you a book showing the transaction and the date due, also an interest table from which you may calculate the interest.

A.—Can I mail you a check?

M.—Yes—you may mail check or money order. It is important that payments reach us promptly, and suggest that you mail payment the day before due.

A.—Suppose that I should be a day or two late in getting my payments to you?

M.—If for any good reason you can not get payments to us promptly, we must be advised by phone or otherwise on or before the date due.

A.—Well, have your representative there about 10 A. M. and I'll be in about 3 P. M.

M.—All right, Mr. Powell, we'll take care of the matter, and you may feel assured of a square deal. Good bye.

E. M. Steimle, *Chairman,*
Manager's Committee.

Application and Remarks by Mr. Rose.

Customer at window: I would like to see about borrowing $100.00.

Cashier sends him to Room 1.

Manager—What can we do for you?

Customer—I need $100.00 but I went to one concern and they told me they don't make loans to people who are out of work and sent me to you. I told them if I was working, I wouldn't need the money. Can you do anything for me?

Manager—If we did loan you the $100, how could you meet the payments if you are out of work?

Customer—Oh I could meet the payments all right whether I get back to work or not. You see I am a machinist on strike and I get $12.00 a week strike benefit and we have a roomer that pays us $5.00 a week and since I have been out of work my wife got a job at Phillipsborns at $14.00 a week so we have an income of $31.00 a week—so you can see I can meet the payments all right.

Manager—What do you need the $100 for?

Customer—I want to buy a knitting machine to knit socks. The people who sell the machine contract to buy all the socks I can knit and I figure I can at least make $10 or $15 a week, which is better than nothing.

Manager—How much does this knitting machine cost?

Customer—It costs $75.00.

Manager—Then why do you need $100?

Customer—Well I have to buy a supply of yarn and I can do much better by buying in large quantities.

Manager—Since you feel sure that you can meet the payments all right whether your knitting business succeeds or not I think we can fix you up all right and will have our man call at your home tomorrow.

Customer—What time will he call?

Manager—Between 10:00 A. M. and 1:00 P. M.

We made this man a loan of $104.00 account No. 17619 on February 14th, first payment made on March 14th, second payment made on April 14th, right on day both times.

Man living in Winnetka working for Commonwealth Edison Co., as engineer applied to another loan concern for $200. Girl at window took his application and when she learned his salary was only $130 per month told him his salary was not sufficient to borrow $200.00. Then he came to us. Upon questioning it develops he is buying a $9,500.00 home in Winnetka, pays $75.00 per month on it and they have a friend as roomer who pays them $30.00 per month. It seems the wife is a pianist and usually teaches but is unable to do that just now as she is about to be confined. When the wife does teach she makes in excess of $100 per month. We made these people a $200 loan and we think it is a first class deal.

Application prepared by Mr. John Monahan—to create discussion.

A.—I am the party who telephoned you this morning about a loan, and you told me to come and see you.

M.—Yes, we never take applications over the telephone. We want the people to call at our office so that we can explain everything to them.

A.—I would like to get a loan of $300. What are your rates?

M.—We charge 3½% a month on unpaid balances.

A.—How much will it cost me for six or ten months?

M.—That all depends on how much you pay off the principle every month.

A.—Can I pay my loan in full in two or three months if I have the money?

M.—You may pay your account in full at any time, and we will charge you only for the time you use our money. We would like to have you keep the money at least three months, so as to clear expense, but if you have the money you can pay in full, and the interest will stop.

(Explain rates).

M.—Do you want to borrow this money on your furniture?

A.—Yes, furniture and piano. Is there any charge for looking at goods?

M.—No sir, none whatever.

A.—What investigation is there, do you tell my friends, neighbors and where I work about my getting a loan on my furniture?

M.—No sir, everything is strictly confidential.

A.—Well, how do you satisfy yourself?

M.—Do you rent the flat you live in?

A.—Yes.

M.—Then you get rent receipts, also a lease?

A.—Yes.

M.—You have gas and electric light bills?

A.—Yes.

M.—Have you bought any furniture recently?

A.—Yes.

M.—Is your furniture and piano paid for?

A.—Yes.

M.—Have you receipts?

A.—Yes, I think I have them at home.

M.—If you can show us rent receipts, gas and electric light bills, receipts for the furniture and piano, that will be enough to satisfy us, that you are the party you claim to be, and that you pay your bills.

A.—There is one thing I will not have—that is, my firm knowing about this. I know you want to be protected, but I would rather drop this than let my employer know about it.

M.—Are you working to-day?

A.—Yes, just got off for a few hours.

M.—Well suppose I phone your place of business, and ask to speak to you. If they tell me you left an hour or so ago and are expected back within an hour, that will prove that you are working there, they will not know who I am.

A.—All right, that will be satisfactory to me.

Manager then takes the application, getting applicant's name and address of place of employment, how long there, etc. After getting all the information, find out when we can call and see the furniture, and set time.

A.—Will my wife have to call here and sign?

M.—No, not necessarily, she can sign at the house.

Very few of us have attaind perfection. It is hardly likely that a perfect method of taking an application will be developed as a result of this meeting but we may

get some ideas that will help to make our present methods better. The best method for your office is one that you believe in and can be enthusiastic about. Not much can be accomplished without some enthusiasm. Most of us can accomplish more by enthusiastic belief in an inferior method than we can by luke-warm practice of a superior method on which we ourselves are not entirely sold.

Too many of us I think profess to be firm believers in certain ideas and methods brought out as a result of those meetings that are not actually practiced in our office. It is what we actually do and not what we believe that counts. Our belief means nothing except such influence as it may have on the things we do. If we really hope to clean up our business to a point where it can be defended rather than ridiculed we certainly can't hope to do it by being hypocrites and professing by means of speeches and printed pamphlets belief in ideals that we fail to live up to in the daily conduct of our business. No matter how perfectly you may conduct your business and no matter how high your ideals may be it will be next to impossible for you as an individual to gain public recognition of your business so long as your competitor in the same city or the same state or a neighboring state indulges in questionable practices.

As time goes on and our business becomes better understood, we will probably get such recognition as we deserve but not more than that. Our degree of fitness and public worth will be determined by our conduct in the meantime.

MARYLAND.

A meeting of the Maryland Association was held in the Board Room of the Merchants & Manufacturers Association, Baltimore, May 9.

By request of Chairman Mattingly, E. E. Hougham acted as Chairman and called the meeting to order.

Eleven members answered present to the roll call and several outside men were present.

The Publicity Committee reported splendid progress and promised that arrangements now made, would make our annual meeting on June 6, 1922, a success from every viewpoint.

The Program Committee also reported progress. All members attention was called to the great amount of good that could be derived from obtaining copies of the "Ham Booklet" from our National Secretary and distributing same among business men and others where they would do the most good to clear up the misunderstanding of our business, such as exists in the minds of some.

The two propositions as outlined in a letter from Mr. W. P. Woll, Chairman of the National Association Finance Committee, to National Secretary Geo. W. Kehr, was read and after a lively discussion, a motion was made and carried that this matter be laid on the table till our next meeting.

As arranged for by the Program Committee, J. J. Wood read a paper on "Collections" and H. C. Moore a paper on Efficiency in our business" and as both papers were considered exceptionally good, the Secretary was instructed to send copies of both these papers to all members to study and bring up for discussion at our next meeting.

H. H. Larsen, *Secretary.*

COLLECTIONS.

J. J. Wood.

Persistency in collecting is the foundation and life of any business engaged in a credit or partial payment plan of payments. In the industrial loan field the problems of the ordinary mercantile firm selling goods on time payments, are intensified so much as to make a procedure which works in the ordinary installment line, often not applicable in a loan transaction. A thoroughness to detail is essential down to the most minute and what in any other line would be an obscure and unimportant thing.

A man or woman borrowing money is not in the same frame of mind after time for repayment begins, as a person who bought a bill of goods from a furniture installment house, piano company or say credit jewelry firm. In one case the money has been spent and in the other the merchandise is in their possession. Just the same at this crucial period the loan installment can be made to be esteemed the higher and deemed the more important if the office making that loan has fulfilled every condition of what actual practice and experience demands is necessary in a proper and businesslike loan administration.

That when the loan was made every iota of information was gathered and put on the application that could be garnered at that opportune time when the prospecive borrower was the applicant and was ready and free with answers to all questions. An outsideman keen for his work can by getting a complete report make the work for the manager smoother when the loan is closed in the office. Don't be timid or fear to hurt the susceptibilities of the borrower by asking questions. One has of course to exercise caution in getting the required information. Remember the information is what is required if an intelligent decision is to be given on the application. A bad lookup starts everyone off half cocked, maybe a fair prospect lost or an indifferent loan made.

I propose to begin right where we all have to start, when a circumstance has arisen not forseen, when the loan was made, namely; methods of procedure for the collection of the account;

1st letters: The accepted means first used by all in this business are letters. Usually a number of notices beginning mild and becoming firmer as the delinquent fails to respond.

This course sometimes varying with early phone calls, depending upon the availability of this means reaching the home or the place of occupation. Right here it is opportune to mention the importance of getting phone numbers, at the home, near the home, stores near the home, or at the working address.

The appraiser who gets a good look up should not miss the opportunity to aid in getting a proper report on the applicant's paper, of phone numbers. Upon most all applications these can be secured and numbers entered on the face of original report easily at the time the application is pending. Later they are not available without much hard work resulting in loss of time and much urging upon the part of the manager. In this particular also let the manager adhere to thoughts of phone numbers when making the loan and completing the application.

Letter writing is zero without the personal touch. Remember when you write the delinquent you take the position of speaking to them directly, so your letter must be built around; 1st, the cause of the delinquency; 2nd, their failure to explain to your concern the reason of no attention; 3rd, your appeal for action; 4th, your final urgent appeal; 5th, their further neglect intailing formal action.

You can always be firm in your letter without being quarrelsome. To some people the mere appeal to pay will be called an insulting letter, others need it as strong as you can give it, remembering of course, to always keep within the bounds of what's legal to be expressed in a letter.

The place to send your letter is important, having a bearing on the psychology of the husband and wife or endorser. A letter to the working address will sometimes get you a quicker response than to the home. Good addresses upon your collection card are a big and quick help to the manager in this respect.

Again do not forget the significance of a collection letter as it differs entirely from all other kinds of correspondence that is, it's a constant reminder to your delinquent you are keeping them in mind, they have failed in keeping up to the terms of the contract and the burden of proof is always upon them.

There comes a time when the necessity arises for your outside representative to call on the delinquent who persists in neglecting or giving businesslike attention to his account. If he is a man who uses his head when making initial call very often the borrower may never have to be called up again. But making a call, maybe all he will get will be a promise. What he should get and what you want him to get is an interview. Anybody can make a call but it requires ability to have an interview with a customer in any line. Just how does a call differ from an interview? I'll tell you. A man who is seeking an interview approaches his customer in this case, the borrower; in a manner which demands politeness and respect. One can be friendly while also firm. A loud or threatening salutation may sound good to the agent but extremely ominous to your customer, immediately making them cocky and bracing them for an argument. Now the outside man, instead of having placed himself in a position to gather reasons and maybe valuable information has begun wrong by antagonizing the customer. He has made his task an unpleasant one, also added to the work he will have to do. To be polite, to be invited inside where you can sit down, and have a heart to heart talk with the wife, will in nine times out of ten bring a response to the office. A door call seldom does, and it's really up to the door man to use his head, exercise diplomacy, secure a proper interview when the result will be the office knows they have a man who uses discretion in his work.

Business calls are different from home calls. They are usually brief interviews, yet usually get a larger percentage of results. A good live wire on the

outside, follows these working addresses carefully, preferring to make them to home calls because they bring better and quicker results.

Generally, I regret to say, the manager must urge some men to make these kind of calls. A timid outsideman is following the wrong line of work, and often the indications of an appraiser's ability may be found with the facility he can see people at their working addresses.

If some of our outsidemen would stop to think that other people upon different kinds of missions can go there and see them, they would get the right viewpoint. After all, making calls and getting interviews, is only the exercise of a little judgment added to keenness combined with persistence. Use the head instead of lots of physical effort. You are bound to get better results. I know an authentic case where an outside man took thirteen cards in his route upon one day, and nine of the people responded by personal visit to the office on the same day. That is fine work, and this is no fairy tale either. It can be done again, because I believe that our young men are as brainy and persistent now, as they ever were.

Nowadays our business does not call for much actual collecting of money by the appraiser. Yet there are persons who have to be collected from because they have been found to be unreliable and their word can no longer be taken. Before accepting any money from them, first use every effort to have them mail it to the office. Remember when you start to collect on an account at the house, it means perhaps the whole balance will have to be gone after in this way. At the same time if the account is positively unreliable and you have proven their word cannot be taken, there is some justification in collecting the money you see it can be gotten. Again, on bad accounts long overdue, and which have been called upon and written to continually by the office, don't scruple to ask them for the money when you make a call. Bear in mind in the loan business the unexpected always happens, therefore when making these kind of calls, gather all the information you can about your slow customer and jot down on your collection card this information. For instance, suppose you make a call, the people are usually out, and after making inquiries of the neighbors and the corner store, you will find your borrower is down at her mother's in the next block. Right away put that number and name on your card, some other man may come along a little later and it will help him to see this borrower.

When you go to a house and somebody comes to the door, saying he or she is not the party you inquired for, don't hesitate to ask them what her or his name is, or if they are any relation. It is these little points which make it easier to see people, because when people find out you are thorough, ask lots of questions, and not just satisfied to be put off by a promise, you will find you will get better receptions when you make calls.

Another point not to be overlooked by outside men in making calls, is, to have your borrower get in touch with the office while you are there. This is the best kind of action, because your manager will talk with the borrower on the phone and you are right there to back it up. Seldom does this kind of a call fail to get results in the office. Remember when you want them to phone the office, while you are on the job they will give all kinds of excuses, and after asking your borrower first if there is a phone in the neighbor's then you volunteer the answer, you can put on your hat and coat Mrs. Jones, and I will go down to the corner with you to the drug store or grocery, and if you haven't the money to phone with, I have. You see this places you in a strong position, and they can hardly refrain from doing what you want them to do.

If you have from fifteen to thirty cards in your pocket, which you are to call upon in a day's work, and in that day you get six people to phone into the office, think what a better average this is than to just turn in a lot of promises in the evening.

Let me tell you what can be done by intelligent effort. Here is a case of a man who called on an account, without getting any results. It was the kind of a loan where it was not advisable to try and file a salary assignment, although the man has a steady job. This borrower and his wife were renewed several times, but always the same old story there was no regeneration in them. Finally that outside man who always asked about everybody and who they are, when he made calls at the home, ran across this fellow's mother. Result; in a few days the entire balance amounting to over one hundred dollars and long overdue was paid up in full at the office. This is only another instance to show the advantage to be derived from thoroughness in making outside calls. Don't get an idea in your head an account given to you to call on is N. G., if you have such a conviction it's pretty nearly likely to result in you doing nothing with it. Imagine a loan manager who would set cards aside carrying the thought they were no good. People who are prompt in payments are taken care of in the office as they should be. When the borrower becomes so derelict of the rules as not to live up to the agreement at the time loan was made the outside man makes his call always with the avowed purpose of seeing the company's rules are adhered to. Keep in mind that after all this is the appraisers real purpose in the business outside of investigating application. Be persistent but never objectionable, make people like you if you can, as you will get further by this kind of conduct. Don't be too quick on the trigger because somebody says something sharp to you. Keep cool under every circumstance. You can think clearer then and get more accomplished. This last applies equally to the manager in the office as well as the appraiser in the field.

There is a certain line you can't cross when talking to a delinquent borrower or if you cross that line the result is bad for the account.

The burden is upon the borrower—they have broken rules and promises—they have treated the firm you represent shamefully—they have ignored entirely the contract they promised so faithfully to live up to. They deserve firm treatment, but that is the most you can do in your dealings with them. Any personal threats are bad, for the thing you have to do and don't forget to keep in front of you all the time the main thought, of collecting the money. In other words no matter what the circumstances whether it is the manager in the office talking to the borrower or the outside man interviewing them at the home. You can stick close to your proper and businesslike line of talk, without crossing a boundary of personalities which incites in a customer feelings of personal resentment, leaving the main things you want them to think about unattended to.

Remember threats are bad and endeavor to avoid them. Borrowers know you have an assignment, also a chattel mortgage, don't talk about your heavy artillery, until the very last thing, you have to do. When foreclosure is talked of it should not be until all else has been done to collect the account. If it is done intelligently then the money may be forthcoming, if it doesn't then it is a problem for the manager.

This business is growing with the increasing population, all classes of people borrow money. The manager in the office and the appraiser are your company's representatives, actually and most often brought in direct contact with the people who are the customers of our firms. These men should reflect credit on the business by the way the details of it are handled.

The loan business to-day is practically a branch of banking. Licensed, supervised and having hundreds and hundreds of investors interested in it in almost every community, therefore, our business methods in dealing with the public should always be within a circumscribed limit to bring no adverse criticism or reproach, caused by any of our personal acts upon our employer's business.

Read by the author before a meeting of the Maryland Association held in Baltimore, May 9.

EFFICIENCY IN OUR BUSINESS.

H. C. Moore.

The question naturally arises what is efficiency? According to Webster, it is effectual agency or power, the state of being efficient. Let us go a step further, and define efficient. Efficient is producing or causing effects or results. Powerful, ready, and agent or cause, a qualified person. We may say further, to be efficient is the power which aids man in helping him transact a given subject with smoothness, rapidity, expeditiousness and dispatch.

What makes a smooth running office? There can be but one answer, Efficient Management. If the head of an office possesses initiative pep, has the ability to indoctrinate in his employees that spirit of individual loyalty that must be existent in an organization if that organization is to function with the maximum success. Each employee then must feel that the business is his particular business, he will naturally quicken his pace, hold higher ideals, and endeavor to improve each minute of his time, in other words, throw his whole heart in the cause for he feels that he has something worth while to strive for.

One must be a teacher, persuade, instruct, train the young minds who from time to time enter our ranks. To be able to build an efficient office force, one must be sincere, the cause must be right. A manager must hold high ideals, be pure in heart and mind. He must live and breath an atmosphere of optim-

ism, always holding a good thought for the employees, encourage, and boost each loyal worker on to bigger and better things, and imbue him with the thought that the reins of executive ability are within the grasp just as soon as he demonstrates that he is satisfactory timber. Never underpay an employee, an agent is worthy of his hire.

One must have at least eight hours of sleep. Plenty of sleep is very necessary if one hopes to keep the pace. Gentlemen we travel at a faster pace to-day than was ever known in business history. One must produce, be a motor, a living dynamo. In other words, to be this, he must have plenty of initiative energy. Therefore keep in physical trim by eating the foods which possess the greatest number of calories. These foods hold energy.

In our business office hours are strictly observed, for by punctuality can be seen the spirit of coördination we look for in our employees. In every loan we close the customer is given to understand he is being sold service as well as money.

Be reasonable with yourself, never expect too much of an employee. They are only students as well as ourselves. There are very few perfect men. Have a time for your dictation, and give it at that time so your stenographer can arrange her work to advantage.

Close as promptly on the hour as you open. Be like Phileas Fog. The boy who traveled around the world in 80 days. Mr. Fog was an exact gentleman. He discharged a valet for bringing him shaving water 38 degrees fahrenheit, when he had been accustomed to having it 37½ degrees. Another illustration of Mr. Fog's exactness. Upon leaving his residence in London to begin his tour around the world, his servant asked permission to return to his residence as he forgot to turn off the gas. Mr. Fog replied, "No Mitchell it is too late, it may burn at your expense until we return" which it did for eighty days. If Mr. Fog had an appointment he kept it promptly. Therefore Gentlemen we may do well to pattern after this noted character of Jules Vernes in so far as present day conditions permit.

Exactness, close attention to the given subject is extremely necessary.

Each of our employees are assigned to certain duties, and they naturally by force of habit accomplish that duty within an alloted period of time. Minor details should be handled by the employees designed for the higher jobs.

You will find it a good policy to allow twenty minutes to half an hour discussion with the outside boys on their work for the day. It is your duty to work up enthusiasm and initiative pep in each outside man. The outside man must be impressed with the necessity of producing, he can not be dead mentally, and ever hope for better days. Each employee must be a booster, a worker. This is an age of etheric energy, and if directed in the right channel, will not tire you.

A certain author once said pep means poise, efficiency and peace. Note the first letter in each word spells pep. If one has initiative Pep, efficiency is easy to attain. Train your brain to be in the six cylinder class. Be up and doing, try to keep near enough to the front of the parade to hear the music, meaning by this, keep your office neat, take a pride in it as your business home. Study your business, and improve yourself each day.

Get to know your customers by name, and the history of their particular account. Don't entertain customers socially. Lend to strangers in preference to friends. Don't scold delinquent clients in lengthy interviews, as it is frequently more harmful than good.

A business is usually run for profit. It should however be the aim of the Manager of that business to so guide, and train his subordinates so that they will know that eventually they will be elevated to executive positions, and thus go on. That should be the aim of efficiency in business, and the Manager should consider the necessity of building men as well as making money, if it is to be a permanent business, and is to hold good men in its ranks.

Read by the author before a meeting of the Maryland Association held in Baltimore, May 9.

GEORGIA.

The regular meeting of the Georgia Licensed Lenders Association, was held at Atlanta, Friday evening, May 5th, with the following members present:

Messrs. A. B. Madison, B. L. Lassiter, V. D. Moss, J. M. Marion, J. B. Ottey, Henry Maffett, Charles T. Dismer, Henry Sharp, W. L. Adair, George Wight, R. E. Worley, C. Y. McCollum.

A number of important communications from National headquarters were read, discussed, and acted upon.

The question of the amount of dues to be paid by the membership to the American Industrial Lenders Association was taken up and a majority approved 75 cents per 1,000 rate with the recommendation that a minimum and a maximum should be fixed.

The Association voted to pay to the convention fund $10.00, per member.

At this meeting the name of our Association was changed from the Georgia Licensed Lenders Association to Georgia Industrial Lenders Association by a unanimous vote of its members with the object in view of making it conform with the title of our National Association.

As the election of officers of our Association is to be held during the month of June, it was decided to hold the election on Thursday evening June 22, 8 o'clock, at 103 Central Bldg.

It was the consensus of opinion that this was the best meeting our Association has held during its short existence of one year.

A great many matters of vital importance touching upon the growth and improved conditions of the Industrial Lenders, through the country were discussed. The Association greatly appreciated having with them Mr. Moss and Mr. Marion, of the Williams Organization, Mr. Moss addressed the members in a pleasing and instructive manner.

A.B. Madison, *Chairman.*
B. L. Lassiter, *Sec. and Treas.*

SITUATION WANTED.

Married man desires position as manager or assistant manager. Best of references furnished. Communicate with H. E. Nolte, 604 Hamilton Terrace, Johnstown, Pa.

INDIANA.

By R. F. Hartz, *Secretary.*

The Seventh Annual Convention of the Indiana Association was held at the Claypool Hotel, Indianapolis, May 17 and 18.

The meeting was called to order by C. H. Stratton, who presided at a luncheon provided by the association, there being 51 members present. An address of welcome was given by O. B. Iles, President of the Indianapolis Chamber of Commerce. President Iles in extending a welcome to the members said that a very noticeable change had taken place in the loan business during the past few years and that he was exceedingly glad to know that the members of this association were coöperating with the Chamber of Commerce in our various cities and announced that the Indianapolis members of the I. I. L. A. were 100 per cent.

Fifty-six members answered the roll call. The regular meeting opened at 2:00 o'clock P. M., in the Palm Room with A. C. Brougham presiding in the absence of Robert J. Spencer, who was called to California. Albert Stump, President of the Lions Club of Indianapolis, gave an interesting talk on industrial conditions and stated that they were improving and that with the continuation of the right spirit in a short time things will be brought back to normal.

Clarence E. Clift, of the Beneficial Loan Society of Indianapolis read a paper, a copy of which follows, and was succeeded by a paper on "Service" by R. E. Hardesty of the Fort Wayne Loan Company, copy also follows. A discussion of various subjects followed lead by members of the Association.

A. R. Dana of Indianapolis lead a discussion on "Skip"—This brought out some very good points, it being shown that if a careful, proper, application be taken at the time the loan is made trouble would be largely eliminated in event of the removal by information on the application; taking the given names of school children was suggested, while Industrial Insurance Companies often prove a source of information on account of policies carried with the sort of people that we do business with.

"Bad Accounts—Best Way to Handle" was lead by Fred Davies of Kokomo. This subject developed a great deal of discussion, was joined in by a number of the members. It was brought out that no set rule can be adopted. The best way suggested being for the manager to get in personal touch with the customer and learn the reason why he is not paying and that at all times it pays to be courteous no matter what the conditions might be.

"A Personal Interest in Your Customer" was lead by F. L. Thompson. Mr. Thompson advanced the idea that taking a personal interest in the affairs and finances of your customer will create more business for the lender and in general a better opinion of the loan business by the public.

"Is there a Turn-over in the Loan Business" a paper read by Benjamin Blumberg of Terre Haute, which was illustrated by charts, to show that there was no real turn-over in the loan business.

"What effect has Industrial Conditions on City and Farm Loans" by A. C.

Brougham. Mr. Brougham brought out a number of good points.

A copy of the addresses follow.

REPORT OF SECRETARY HARTZ.

Membership at present.....95
New members during year.....33
Resignations 6
Delinquents 8
Seven owing for the last six months and 1 for the full year.

There are about 75 eligible licensees in the State who are not members of the Association.

As secretary of the Association and in planning the meetings, I have had wonderful coöperation. At this time I want to extend my thanks to every member who has assisted in making the meeting a success.

Treasurer Hancock's report of Nov. 16, 1921 to May 17, 1922, indicated that after all receipts and expenditures had been accounted for there was a balance of $2,727.03 in bank.

The meeting adjourned to be followed by a banquet at 6:30 P. M., at which there were 84 members present. The guests included Judge James A. Collins, Judge Arthur R. Robinson, Walter T. White, President of the Kiwanis Club, Russell Willson, President American Club, Albert Stump, President Lions Club, Eugene C. Foster, General Secretary, Indianapolis Charity Organization, H. G. DeWeese, Field Secretary American Association, Charles H. Harris of Pittsburgh, B. E. Henderson of Chicago, E. E. Essex of Sioux City, Iowa.

On Thursday morning, May 18th, the meeting was called to order and a paper on "Coöperation with Members on Skip Accounts" was read by H. E. Arnett of Marion, Indiana.

C. H. Stratton of Sullivan gave an extemporaneous talk on creating a favorable public opinion, in which he suggested a number of methods but the substance of all seemed to be that every member should conduct his business in a manner that nothing but favorable public opinion could arise from his operation and gave as his opinion that suits for foreclosures and prosecution, no matter what the provocation, should only be made as a last resort.

"Should Loans be made to Those Not Working." This brought out quite a discussion from all members, but the general opinion seemed to be that character and honesty should be the basis of credit and not the fact that whether a man was employed or not.

"Establishing a Clearing House and Credit Agency." Mr. Farrington explained how the credit agency in Indianapolis was conducted and after discussion it was suggested that each decide whether its needs would justify the maintenance of agencies.

"The Importance of Holding Weekly or Monthly Meetings at the Chamber of Commerce" was fully demonstrated by the talk that Mr. Iles gave at the luncheon. That it added dignity to the business and proved to the business man that industrial lenders at all times want to do their part was the unanimous opinion.

"Does Automobile Funding fit in with the Loan Business." It was the general opinion of those who had tried it that it would not and Mr. Johnson of the Loan Department of the State thought that the chattel loan business should not be combined with any other branch of financing.

"What constitutes ideal Coöperation and why are the Basic Principles not more fully followed" was lead by F. L. Thompson of Shelbyville. He brought out the fact that in smaller cities which have from two to five companies, there is not the coöperation among lenders that exists in larger towns and that if more of the licensees belonged to the state association it would promote cooperation in the smaller towns. It was suggested that if licensees would have meetings occasionally and become better acquainted with each other that it would result in an increase of membership to the association.

"How to Obtain New Business" was lead by A. C. Brougham. It was generally conceded that new business at this time is hard to get and a number of suggestions were offered by the various members such as mailing letters to addresses taken from the city directory, and the use of follow-up monthly; letters and folders followed by display newspaper advertising which should contain extracts from the letters and folders have proved successful. Joining civic organizations and cultivating a wider acquaintance was suggested by Mr. Hartz as having been found a good method of securing new business.

At the close of the discussion an election of officers for the ensuing year was held and the following were elected:

W. R. Teel, President, Indianapolis.
W. R. Hancock, Treasurer, Indianapolis.
R. F. Hartz, Secretary, Indianapolis.
Fred Davies, 1st Vice-pres. Kokomo.
George Clupper, 2nd Vice-pres. Marion.
A. V. Keeney, South Bend, Executive Committee.
A. A. Scheib, Portland, Executive Committee.
W. A. Zumpfe, Indianapolis, Executive Committee.
John McGregor, Madison, Executive Committee.
C. H. Stratton, Sullivan, Delegate to National Convention, N. Y. City.
Roy F. Hartz, Indianapolis, Delegate to National Convention, N. Y. City.
George Farrington, Indianapolis, Alternate for C. H. Stratton.
A. B. Keeney, South Bend, Alternate for R. F. Hartz.

MOTIONS APPROVED.

Regarding names for branch associations, referred to executive committee to decide.

That next manager's meeting be left to the executive committee, by C. H. Stratton, seconded by W. A. Zumpfe that the secretary prepare a copy of the minutes and forward to the membership as soon as possible after each meeting.

By A. C. Brougham, seconded that the Indianapolis members be offered a vote of thanks for the meeting.

By C. H. Stratton that two day conventions be held hereafter on the semi-annual and annual meetings.

APPOINTMENTS.

J. H. Aufderheide, Chairman Law Committee.
W. A. Zumpfe, Chairman Membership Committee.
A. C. Brougham, Chairman Publicity Committee.

SUGGESTIONS.

That the secretary prepare blanks to forward to the members in order that transfer accounts can be kept more accurately.

OPINIONS.

That loans in excess of three hundred dollars do not come within the scope of the small loan law and simply revert back to usury law. These loans are not advisable and do not constitute good business and are not recommended by the Association.

JANUARY 3, 1922.

Regarding the question of the validity of licenses and mortgages made in the name of a party in which only initials are used. I would say that there is certainly nothing invalid with respect to a license so issued or as to securities issued to a person, using only his initials before the proper name. It is always better form to write out the first name. For instance, if W. P. Woll should use the full name, William P. Woll, in all his documents he would be saved the necessity of proving that W. P. Woll is the same person as William P. Woll. However, such proof is easily made and the fact that the initials are used cannot invalidate any document.

Of course, in all suits, whether foreclosure or otherwise, the plaintiff must use his Christian name as well as his surname. In other words, Mr. Woll must sue as William P. Woll, and then must show that W. P. Woll and the plaintiff are identical.

I cannot understand how any lawyer could defeat a mortgage because the mortgagee had used his initials instead of his full name. However, it is always better form to use the full name.

Yours very truly,
JAMES W. NOEL, *Attorney.*

APRIL 28, 1922.

The recorder of Park County recently raised the point that our mortgages should bear the address of the mortgagor in order to be valid.

Indiana Industrial Lenders Assn.

Chapter 272 of the acts of 1921, concerning the recording of mortgages and leases, is entitled "An act to amend Section 1 of the act entitled 'An act to amend Section 16 of an act entitled, "An act concerning Real Property and the alienation thereof,'" approved March 5, 1913."

An examination of the original Act of 1852 and the subsequents, fails to disclose any reference to chattel mortgages. Throughout the act and all the amendments the title refers solely to real estate mortgages, and the body of the act in all cases refers to conveyances or mortgages of land.

The provisions requiring the placing of the name of the mortgagee and his post-office address on the mortgage, applies solely to real estate mortgages and does not apply to chattel mortgages, and the recorder has no right to make such requirements.

The law with respect to the recording of chattel mortgages is in an entirely different act, in a different section of the Statutes, and has not been amended for a great many years.

There seems to be no possible basis for applying the Act of 1921 to Chattel mortgages.

Respectfully submitted
JAMES W. NOEL, *Attorney.*

The Executive Committee decided to hold the Semi-Annual meeting at Indianapolis, the next managers' meeting to be held in Fort Wayne in February.

COURTESY.

CLARENCE E. CLIFT,
Indianapolis Beneficial Loan Society.

The true value of courtesy is being realized more and more every day. Almost every large corporation and public utility coming in contact with the public is having classes instructing their employees the true worth of courtesy. In our own city, the Indianapolis Street Railway is holding school twice each week, for this purpose. Not long ago one of the largest railroads in the country issued a phamplet telling their employees the value of good will from the public, which was to be secured through courtesy.

The principal that underlies courtesy is the treatment you receive from others. by simply doing unto others as you would have them do unto you. Courtesy preached and not practiced reminds me of what Willie said about the cream puff, "Nothing in it."

Every employee coming in contact with the public in any way should be thoroughly imbued with the fine spirit of courtesy, not only that he might live up to the designation as "A Company with a Heart," but as a cold business proposition as well. In a highly complex and technical business such as the Chattel Loan Business, there are many things that you, with your training and daily experience understand, but which a borrower does not understand; therefore, do not assume that the borrower should comprehend without asking questions, but when an inquiry is made of you, give the courtesy of a reply just as full and clear as you can make it and without any suggestion of making them feel that you are superior or born of greater knowledge.

Words are the *only* means of expression, *manner* is quite as important, so therefore, remember that a kind and gracious manner is not only the sign and mark of a self-respecting man, but it is your words that oils the machinery and makes it run more smoothly.

It isn't that many of us really like to be discourteous but the humdrum of our duties makes us indifferent. We become short or curt without realizing it. We forget that the fiftieth customer doesn't know that we have waited on forty-nine and the one who asks the tiresome, old questions doesn't realize that we have answered them hundreds of times.

True courtesy is no respecter of persons. It makes you remember that "A Man is a Man for a' that," and give the civil word and helping hand quite as readily to the ill clad borrower, as to the officer of your company.

Courtesy begets courtesy. Every day the courteous person gives others pleasure and it is reflected back to him. If he is truly courteous it pays him in money rewards; but, just the same courtesy is the greatest dividend paying stock, year in and year out that a man or woman could own.

SERVICE.

R. C. HARDISTY, *Fort Wayne,*
Fort Wayne Loan Company.

A lank, sorrowful looking person stood on the steps of the town hall during a political meeting. "Do you know who's talking in there now?" demanded a stranger, pausing for a moment beside him. "Or are you just going in?"

"No, sir; I've come out," said the man decidedly. "Congressman Sniffkins is talking in there."

"What about?" asked the stranger.

"Well," continued the man, passing his hand across his forehead in a puzzled manner, "he didn't say."

So that this cannot be said about me, I will say now, the topic assigned me, by our secretary, Mr. Hartz, is "SERVICE' and certainly is one of broad and thoughtful mention.

What is there more closely connected with our loan business than Service? The definition of service is assistance and there are no other organizations, corporations or companies who do assist and help more than do the small loan associations.

Observe the wonderful lot of good we do for the poor families of our cities, who do not have banking connections and must rely upon the small loan companies for their financial assistance. Many times we bring them from the depths of poverty to a higher elevation to a better standing among their community; also the satisfaction of having gained confidence in themselves by establishing a credit which they may never have had before.

Then there are the middle classes and the business men who are greatly benefited by the small loans we issue them when they do not wish to interfere with their banking credits. They could easily get credit for much larger amounts at the banks but do not care to humiliate themselves by asking for small amounts as they feel this would interfere with their banking rating.

In the loan business we sell money—but money will not sell by itself, as you can only get dollar for dollar—so to increase the value of your dollar you must add "SERVICE." When a person applies for a loan, it is up to us to show him where our money, plus our service is worth three and one-half per cent (3½%) per month to him.

Service starts the moment a new applicant walks into the office, up to the time the loan is paid off. The new applicant is shown the service you have to offer in the manner in which his application is taken. There should be, always, a willingness to take pains to explain those things that the customer cannot readily understand.

The applicant's first impression is his lasting one. Don't go to the counter with a frown on your face and a look as sour as though you had had indigestion for the past month. If you had forget it. Always be courteous, cheerful and willing to answer thoroughly all questions asked. If your customer happens to be a man, be congenial enough to take a few seconds' time and personally remark about his work—or if a woman, have a pleasant word for the children. The friendly attitude will attract more customers than any amount of money spent in advertising. It helps, and induces them to have a kindlier feeling toward you.

"Business is business" but men are men,
Loving and working, dreaming,
Toiling with pencil or spade or pen,
Roistering, planning, scheming.
"Business is business," but he's a fool
Whose business has grown to smother
His faith in men and the Golden Rule
His love for a friend and brother.
"Business is business" but life is life;
Though we're all in the game to win it,
Let's rest sometimes from the heat and strife
And try to be friends a minute.

Be sure to explain the rates, time of payments and everything explicitly so that the customer has no doubt at all in his mind when he leaves the office. And in making appraisements or appointments, should Mr. Customer request you to be at his house at nine o'clock (9), see to it that you are there precisely at nine (9) o'clock, or a little earlier. Don't make him wait any more than you would care to wait for him. If you are not prompt how can you expect him to be prompt in making his payments? Again the Golden Rule applies—Do Unto Others As You Wish To Be Done By.

Then, there is the service your representatives give to the customers whose payments have to be collected; they must not try to tell them what they should or should not do, before first considering carefully all the information they give. They must not be too hasty in their judgments and expect large payments that are way beyond reason—nor should the representatives be too easy with them. They must be firm but not in an offensive, harsh way.

We have often heard people who excel in their line called geniuses. When the season for their supremacy is all boiled down, it means mastering of the infinite art of taking pains.

The person who talks in a "I know it all" manner never retains many friends; they may make friends fast enough but when the disposition, the inner thought, is found out, they are no sooner made, than lost.

Everyone has met just that sort of fellow at some time or other—and how long would a loan company be operated, were that person at the head? The customer would never come back for a second loan and the loan business as well as all other concerns cannot depend upon all new customers. It is the return of the old customers that makes a business successful and Service—*The Willingness to Please*—is the main factor, which will bring them back.

The entire office force should always be neat and clean in their appearance, be courteous and have a pleasing personality as they are the connecting link between the customer and the firm which they represent.

The office itself should be well lighted, clean, properly ventilated and of nice arrangements, which will give it a cheerful appearance.

At all times, we should bear in mind that cheerfulness, the willingness and the

intelligent service we can give to our customers.

Serve others and others will serve you gladly.

In closing I wish to quote this slogan which fits in very appropriately:

Bite off more than you can chew,
Then chew it.
Plan for more than you can do,
Then do it.
Hitch your wagon to a star,
Keep your seat, and there you are!

IS THERE A TURNOVER IN THE LOAN BUSINESS AND WHAT ADVANTAGE?

BENJAMIN BLUMBERG, *Terre Haute, Ind.*

Had this question been assigned to me two years ago my prompt reply would have been in the negative. My knowledge of the meaning of the word "turnover" was so vague that I then thought there was no such thing in the loan business. I had often heard merchants discuss how they made their business profitable by means of turnover. I have heard them say that their gross profits per sale were decreased on account of the turnover. This was so foreign to the loan business that I could not find anything of the sort therein. To-day I have come to the conclusion that there is a turnover in the loan business but that a discussion of it is a very dangerous thing—not to be assumed lightly.

Indeed, the experience of the last two years shows that much turns upon the general conception of turnover. Much progress depends upon the understanding and the use of the conception "turnover" in the loan business.

Indeed, new forces silently at work to make certain and secure the legal reform of the loan business will soon delve deep into the mysteries of money lenders' turnover. And it behooves every lender to inform himself upon the economic aspects of this phase of his business.

A professor of the Univerity of Chicago has put a chapter in a text book used in that university dealing with the loan business. A professor of law at Columbia University has written an editorial about the loan business. A New York economist has published an article in the *Saturday Evening Post* about the loan business, and now another professor of economics from an Eastern college is devoting a year of his life to the investigations of the loan business. These men will have the truth and we must face the situation.

James H. Collins wrote to Secretary Kehr in August, 1921, as follows:

"As extortion is the only matter of prejudice on the part of the public, I believe you might work to overcome it by gathering from your members and supplying to newspapers information showing just what money costs the small borrowers, using specific loans without names, or giving figures showing interest and expense in a specific money lender's turnover, for, say, six months or a year. You would gradually convince the public that there is a new basis for your business."

Mr. Collins' suggestion that the public should be informed with actual figures as to the interest and expense in our turnover, makes a discussion of the subject vital and timely. Notice that Mr. Collins suggests that the public wants to know what money costs the small borrower and in connection with this thought, states that the *public should be informed* about the money lender's turnover.

Money lenders in the past in the privacy of their own offices and their accounting methods have talked, thought and figured only in the terms of capital investment. Their percentages have only involved working capital. Mr. Collins injects a new thought, namely, that you busy yourselves with your percentages of gross profits upon turnover and cost upon turnover. In other words he warns us that the borrowing public, the legislator considering our loan law and the reformer want to know what we are charging for each loan we make and what profits we make out of that loan, and they want this expressed in the terms of the average loan, and I take it that Mr. Collins means that the turnover of the loan man's business being the aggregate of all his individual loans, will supply the necessary figures.

It is no mean task to open a discussion on this question. The more one delves in the subject, the more confusing he becomes. Turning to Webster, we find turnover defined as "the amount of capital temporarily invested during a period of business which the owner expects to get back before he begins to count his profits."

In the Cyclopedia of Law some judge has defined it as "The gross receipts in a business during a certain period."

A certified public account informs me that "turnover is the cost of goods sold."

And in conversation with many business men, I have gained the erroneous impression that turnover was repetition in the use of the invested capital, and that a man's turnover was the number of times that he could use his money during a year.

I have prepared a chart to enable you to visualize these distinctions so that in the future discussion you can make your understanding of the term clear.

Strictly speaking, therefore, these definitions above, except that of the accountant, will all fit the loan business which has capital invested, collected out or withdrawn and reinvested. And it can even be made to fit the latter definition for the goods we sell is the cash we loan together with the service rendered.

There is a great danger lurking in the discussion of this question and that is the vast difference between the turnover in all other lines of business and turnover in the loan business. We find it very much to our advantage to be considered in the class of merchants and we find it very advantageous and logical and reasonable to consider that our charges and profits are comparable to those of merchants rather than to those of bankers. Hence the necessity of carefully distinguishing between the turnover in our business and the turnover in the merchant's business.

Recently a druggist told me while discussing the loan business that his net profits were only 6%. When I pressed him on the point he admitted that he meant 6% on each turnover and he had six turnovers a year. An automobile tire agency once told me that his profit was only 10% but he admitted that he meant 10% on each turnover and he had four turnovers a year. Only last week a nationally known merchant stated in public that his profits in groceries was less than 2% but followed this with the explanation that his net profit of 2% applied only to each turnover on grocery sales and that his net profits for the entire year on capital invested amounted to 20%.

Therein lies the danger while discussing our business with the untrained public. Therein lies the stumbling blocks met by our advocates before legislative committees. We must deal with experiences that our fellowmen have had in business, and we must guard ourselves against the very natural tendency of every man to apply his business experience and conceptions to the business of his neighbors.

Our friends think of our business in the terms of their own businesses. They reason that all other businesses are just like their own. And if they have profitable turnovers, therefore the loan man must have a profitable turnover.

Let me illustrate. I recently carelessly told a private business man that the law allows us 42% interest of which our net profit was about 16% and he at once held up his hands in surprise exclaiming: "Why with the turnover at least four times a year, your profits would be 64% a year. Too much!" My mistake, I was not careful to say that the law allows us 42% *per year* and our net profits *on investment per year* only came to 16%. Of course my hasty answer to his exclamation was a long winded explanation that we do not have any turnover in the loan business such as he had in his clothing business and this fell quite flat.

I believe that in general parlance, however, business men in speaking of turnover, think of the reinvestment of this money collected because therein is where their profits lie—the reinvestment and resale, recollection of the funds and reinvestment again, etc.

Now whenever the merchant sells goods he makes a profit upon the sale and the more often he can repeat the sale the more often can be made the profit whether it be 50% or 5%. or ½ of 1½. But the loan man, under the uniform loan law, is not permitted to think in such terms. He makes no profit at the time of the sale which is the time the loan is made nor does he necessarily make a profit when he collects his funds. His profit comes regardless either of how many loans he makes, how many times he loans his capital investment or how many times he collects it. His profit follows from the *length of time* that his investment remains in the use or possession of the customer. Where a straight time loan is made, that is to say, a loan to be repaid in one sum and not by payments and this loan is made on January 1st and collected on December 31st the lender has no turnover in a year's time but only the gross profit in the amount of interest the customer actually paid, namely, $42.00. Should he make the $100 loan payable in thirty days—collect it at the end of that time and reloan it to another man for thirty days and so on twelve times per year his gross profit would be the same.

When he makes a new loan every month for thirty days he has made twelve turnovers in a year and his gross

business done instead of $100 is $1,200. In either case the gross profit to the lender is $42.00, no more. This is the point that the public does not grasp and cannot be overemphasized or too many times explained and it is to be hoped that the members of this Association will set themselves the task of making the explanations briefer and clearer than I have done.

WHAT ADVANTAGE?

Under the Model Loan Law not only is the turnover different from the merchant's turnover in that the loan man cannot make any profit upon each turnover, but furthermore, each turnover of the loan man's investment, involves additional expense which is not remunerated and in fact is a source of expense which is not compensated for. I mean to say that turnover in the loan business involves loss rather than gain, and is therefore quite the opposite of the merchandising turnover. If the loan man could put all his capital into certain loans and keep it outstanding for long periods of time and then collect his principal and interest, he could make a much bigger profit than he can by collecting the same back in short periods of time or in monthly payments. To loan men this is plain that every loan made involves the time and cost of investigating, the time and cost of cancelling and returning old papers, the time and cost of making out new papers, issuing statements and every payment received involves the time and cost of issuing receipts and making book entries. Whereas the merchant can figure all of these expenses against the price which he charges upon each sale and usually does so quite liberally.

Permit me to suggest for future conventions that a very beneficial discussion can turn around the consideration of the different kinds of turnover which occur in the loan business as I find upon investigation and study that different offices show different percentages and different years show different results, that to ascertain a fairly representative figure showing the loan man's turnover, it will be necessary to gather together the statistics from many offices covering a long period of years.

It would also be of intense interest to have a debate upon the advantages of a quick turnover as against a slow turnover, as there are some among us who prefer short time loans and frequent renewals. There are others among us who prefer long time payment loans which involve a more or less active turnover and there is still another group of lenders who permit the borrowers to keep the money as long as they wish upon the theory that the more interest each individual borrower pays upon each individual loan, the better will be their business. In other words, this third group think the slower the turnover the better.

Some day we will find it interesting to discuss whether or not we have a seasonal turnover. When we discuss these questions we should do so prepared to sustain each side of the argument with facts, figures and statistics actually taken off of our books. Mr. Harbison insists that when we use statistics in connection with the loan business we must be accurate and I think he is right. I believe the public is tired of made up or imaginative statistics and I believe that we lenders are tired of make believe argument and camouflage.

WHAT EFFECT HAS THE INDUSTRIAL CONDITIONS HAD ON THE LOAN BUSINESS IN GENERAL, BOTH CITY AND FARM LOANS.

A. C. Broughman, *Marion.*

The present industrial condition both with city and farm loans have been effected in part. It is necessary to get plenty of good security and unincumbered. Be sure the applicant does not owe everyone. Be sure the applicant has both the desire and ability to pay. Do not take anything for granted. Investigate every loan. Record all loans of any size. The conditions have effected the security, it is not worth what it was two years ago. Security that was sufficient for a $200 loan in 19 and 20 is hardly enough for $100 at present and hardly that if it is livestock. Credit was liberal a year ago and many took advantage of the fact. Consequently a good many prospects are not eligible for loans.

The earning capacity of almost everyone is not to be compared with a year ago and customers do not have the ability to take care of as large loans as they formerly carried. This means that in order to keep to same volume of business it is necessary to have more customers.

In conclusion will state that, in addition to the continuous use of common sense and business judgment, now as well as in the future, one very necessary material thing is confidence in your competitors. We must all clean house before asking the other fellow to do likewise. Any company whose energies are directed principally towards the use of unscrupulous methods to secure the business of their competitors cannot prosper but temporarily. Any company whose main thought is unloading their dead stuff on another company is most generally only fooling themselves. This same amount of intelligence used in the making and attention given to the correct kind of applicants, especially with industrial conditions as they are at present, will not only uplift and dignify our business but also will aid in perpetuating the same.

Industrial conditions now and of two or three years ago are exactly opposite. However, we all admit that business seems to be on the upward turn and right now is better than it has been for about twelve months. The small loan business consists entirely of credits and is absolutely dependent upon the future. Loans made to the laboring man are for any length of time from one to twenty months, he depending on his weekly wage to repay us. For the past year, the average laboring man has been working but part time, at a reduced wage or not at all. At present he is in worse shape than he has been in years—he has sold his Liberty Bonds and Thrift Stamps and is in debt—a year ago he had securities, a savings account, made big money and owed no one. It has been only during the past couple of months that the average laboring man was considered a good risk. The best applicant among this class are the ones who will not contract a loan unless they have a way of repaying us. Factories are now working more hours while the building trades are now about all employed. Unless a building trade applicant wants too large a loan, it is best to make him for but six or eight months' time and make it very plain that regular monthly payments must be applied on the principal.

Tenant farmer loans are usually made for the principal to be paid at a definite date and to cancel his obligations, he is dependent on the crops, etc.

COOPERATION WITH MEMBERS ON SKIPS AND TRANSFER ACCOUNTS.

H. T. Arnett, *Marion, Ind.*

Almost every year the subject of skip collections and transferred accounts comes up at Association meetings even when it is not on the program. Yesterday it took up a good part of the afternoon and a general discussion gets started relative to whether or not a charge should be made for collection of such accounts, other than the expenses actually incurred. As I remember, it has been the consensus, of opinion that the privilege of transferring accounts to other members, without being charged a commission for services, is one of the benefits earned by belonging to the State and American Associations.

But few live offices object or dislike to receive transferred or skip accounts from other members, and are glad to do everything they can toward the collection of the account without making a charge of any kind above any actual expenses that may be incurred. And it is generally the office that received the most skip accounts from other offices that makes the least objection.

In a town that is booming an office will receive quite a number of accounts, and have but few to transfer for collection. An office that finds it necessary to transfer a number of accounts for collection is either poorly managed, or in a town that is dying and not furnishing employment for the entire population. So it generally follows that the busiest office receives the most accounts, and transfers the fewest.

In any case, however, any one office will receive so few accounts that but little time will be taken away from their own accounts. And yet no office is so small or well managed that it will not have one or two accounts during the course of a year that it will find necessary to transfer.

When you transfer an account for collection do you expect the other offices to collect better than you did yourself, and to give you better service than you would be willing to give in return?

Do you write a letter to accompany the account and give all the details regarding it. Would you expect an office in Ft. Wayne to locate an account by simply telling them that Mr. Jones had moved to their city and you would like for them to make him pay?

Do you expect the office to acknowledge the receipt of the account? If they do not do so, do you allow enough time to elapse to permit them to have given the account attention before writing for

a report on it? Do you write as though you were doing them a favor in permitting them to collect the account for you, or do you try to show them that you appreciate anything they may be able to do for you.

You cannot be too careful of your treatment of the members to whom you transfer account, or of whom you receive accounts for collection, if you care for the opinion they may form of your company. In some cases the only acquaintance other offices may have with your office is made through transferring accounts. I know that some offices are regarded very highly because of the service they give to other members (State Loan S. Bend—State Indianapolis) and could get almost anything from the offices they have favored; while other offices are so discourteous and unaccommodating that other members think they may not be much of a loan office.

I want to read a few letters between offices regarding skip accounts. (Impossible to reprint letters, only extracts from letters were read.)

In conclusion I would suggest that:

The manager of an office that receives an account for collection give it first his own personal attention.

That he acknowledge the receipt of the account and advise what he thinks can be done with it just as soon as he possibly can.

That a stamped return envelop be enclosed when numerous reports are requested or when regular payments are sent in.

Isn't it possible for this association to adopt a uniform policy for members to follow?

I believe that if members were more impressed with the benefits to be gained by closer coöperation that it would make the association be of more visible value.

AN ADDRESS.

By Hon. Arthur R. Robinson.

Judge Robinson: Mr. Toastmaster and gentlemen: It is easy to speak in commendation of your organization and the business in which you are engaged. Unworthy members manage to get into every profession and business. This is true of the law, of medicine, of commercial institutions; indeed it is even true of the ministerial profession, but it is never fair to judge the character of a business by a few evil minded men who may come into it, when the great majority believe in fair dealing and are doing their best to keep the business on a high plane.

Commercial banking to-day is thoroughly reputable and high grade men engaged in that business are respected and honored everywhere, yet not infrequently we are shocked to learn that a great banking institution has been entirely ruined through the evil machinations of one who was trusted and in whom the people had great confidence.

Indeed the banking business itself had a very humble beginning. As recently as the Middle Ages there were no banks in the modern acceptation of the term. During the Medieval Period, owing to the fact that there were many more forms of metal coins than are now in use, very imperfectly minted, specialists were necessary among the merchants and others whose business it was to exchange money. These specialists were mostly goldsmiths and were themselves not thoroughly trusted by the people in Europe, where modern banking began. These specialists would attend fairs where merchants gathered and exchange coins of one province or country for those of another. They usually carried with them strong chests in which they kept their coins. These chests were usually placed on benches or "banken" and after awhile the people came to call them "bankers," whence we find the origin of the word "bank."

After a while these money changers took on a second function. Having strong boxes to safeguard themselves against fire, robbers, and others difficulties, their clients and the people generally found it good practice to deposit their funds with them for safe keeping.

After a while a third function was taken on, namely, that of lending the funds deposited with them on fluid security that could be quickly turned into money if necessary. From this humble beginning the great business of modern banking has been developed.

So it is with your business. From small beginnings a great system of

Hon. Arthur R. Robinson.

money lending has been evolved. It is your business to take care of the many men and women who have no established credit anywhere, and it is necessary, therefore, that you assume a large risk. You furnish your own capital entirely and lend it on security that, while it may seem good, is frequently found to be entirely inadequate. As a rule you are secured by chattels of doubtful value and wage assignments that may or may not continue. Because of this risk assumed by you that bankers ordinarily do not need to face, it is essential that you receive in interest an amount that will not only safeguard you but that will attract legitimate capital into your business. You receive recompense for what you do, and this is eminently proper. The physician receives his pay for saving lives and the minister of the gospel for solemnizing marriages and officiating at funerals is likewise financially rewarded for the services he performs, and this is, of course, as it should be. The laborer in any human industry is worthy of his hire. You are constantly rendering service to humanity. Many of those who seek aid from you are almost down and out, and the industrial lender represents their last hope. Some twenty years ago I had some personal experience with your people in this city. That was before we had on the Statute Books the Modern Uniform Small Loan Law. I was a young man, recently married, just starting in life and had no credit. An opportunity came my way where by the investment of a hundred dollars I could in a very short time, in a most legitimate manner, make from the investment several hundred dollars. I applied to an industrial lender and was accommodated. I think for a period of thirty days perhaps it cost me ten dollars to get that loan, but in the end I made between four and five hundred dollars, so that I was glad indeed to pay the interest charge. A friend in need is a friend indeed, and I considered that lender my true friend.

Since then I have sent many friends to your people for similar accommodations. I remember one case in particular many years ago where a man who was working for me had as a member of his own family the mother of his wife. He was devoted to her and one day rather suddenly she was taken away by death. It was necessary to provide for her funeral and he felt he must have seventy-five dollars. His salary was modest and he had no credit. I advised him to seek an industrial loan, which he did and received from the lender the amount necessary to take care of the emergency confronting him. Afterwards he received an extension or two but finally paid it up in full, and to-day I know him to be one of our prosperous citizens of this community. Where could he have gone for this accommodation had it not been for the industrial lender to whom he applied?

Another man working under my direction some time later, living in humble circumstances, was confronted with the necessity of sending his little boy stricken with tubercular trouble to a higher altitude. His wife's people lived in Colorado and they were willing to look after the child and its mother, but it was necessary to get money for railroad fare and for purchasing the proper equipment for the trip. A hundred and fifty dollars were required. At my suggestion he applied for a loan to one of your companies. He received it, gave an assignment of his wages and a mortgage on some chattels. The lad made the trip with his mother, became strong physically and after a couple of years returned to this city where he now lives, is married, has a boy of his own, and I happen to know he is prosperous and one of our representative young men. I have no doubt his life was saved by that trip, and a citizen saved for the Republic. The father paid the interest on that loan gladly and who is there to say that in that instance humanity was not served by the transaction?

I might mention other cases, but these are sufficient to illustrate the point I make, that in your business you are genuine benefactors of humanity.

We now have the modern Small Loan Law which establishes the rate in this

State at three and one-half per cent. per month. More than this amount has been shown to be unnecessary and a lesser rate would not be adequate. I am glad to know that Indiana was the first State to pass such a law, and tonight I understand that more than half the states have followed Indiana's example in this particular.

You go into the homes of the poor and render there a great service. I cannot give you any valuable information as to how you should conduct your business. You understand it, of course, better than I, because you have given study to it, but there are some things in which we are all interested and concerning which perhaps I may talk to you with mutual profit.

We are all Americans together, and all stand for the traditions of the Fathers and the national aspirations of our people. Much is said in these days about law and order, and the so-called crime wave. My opinion is that the observance of law and order should begin in the home. Too often children are permitted to violate the rules of the home, and thereby get the notion that the law of the land can also be treated with disrespect. We undertake to put the roof on the house before we have laid the foundation for the building. Americanization should be started at the fireside and our children should be taught the virtues of the Declaration of Independence, the Constitution of the United States, the history of our people, and the fact that our laws are the most liberal and beneficent to be found anywhere in the world. Then, instead of disrespecting the law and seeking means for violating it, it will be a pleasure for them to obey the laws in every respect. In the Boston Policemen's strike facts were disclosed which represented a national scandal. Just because the policemen were off their beats unbridled license was permitted to reign. Mere boys and girls, the children of Americans whose forbears had lived in this country for centuries, plundered stores, burglarized homes, committed thefts and crimes of all kinds, just because the policeman had left his beat and there seemed nothing standing between themselves and unbridled license. They were not the children of immigrants, but the children of native born Americans, and an experience of this kind would seem to indicate that our training is wrong. Too frequently we terrorize children in the home by threatening to send them to jail or to the reform school, or we suggest the policeman will get them if they fail to perform some duty or another. It seems to me this is wrong. Instead of terrorizing our children with threats of the law and arrest by police officers, we ought to teach them to be honorable, upright and decent, for decency's sake, and then when they grow older it will be a pleasure for them to conform to the law and crime will decrease on all sides. I would not lecture you about matters of this kind, but every man has his own sphere of influence, and this is the kind of doctrine that I feel should be disseminated everywhere, particularly in times like the present.

Another thing I would mention to you in connection with the complete Americanization of our people, and that is the problem of immigration, which is closely connected with illiteracy. The complete Americanization of our people is the great hope of the land.

We have just passed through the greatest war in history, and although our population is composed of representatives of all strains of blood, the loyalty to our common country was beautiful to behold. Thousands of our boys made the supreme sacrifice for America's ideals, to say nothing of the billions of American treasure the World War Cost. The war was won and the cause of the American Republic triumphed. Now that it is all over and we are in the midst of reconstruction there is great and important work to be done. Among other things the great war emphasized conclusively that we are composed of many racial groups and that these groups must be effectively welded together in the interest of American nationalism. We must work in season and out of season for the complete and thorough Americanization of the Republic. Our people must be brought not only to speak the same language but to think in the same language, and that language must ever be the language of the Declaration of Independence. The flood of immigration that comes to our shores must be assimilated into American life as rapidly as possible, and immigration should be strictly limited to such an extent that only as many may come as can be promptly assimilated, and those who refuse to be assimilated into our life and to become naturalized under the flag should be returned to the lands from whence they come.

The very foundation of Americanization is education. Statistics are not particularly entertaining but they are quite illuminating. According to the figures of the 1910 census there were 13,345,000 foreign born residents in the United States, representing thirty-five different races and speaking fifty-four different languages. There were 33,000,000 whose parents were born in foreign lands. There were 3,000,000 unable to speak the English language, and 1,650,000 illiterate in any language. In Chicago alone illiteracy increased from 69,771 in 1900 to 184,884 in 1910. There were more than 6,000,000 foreign born males voting in 1910, which constituted one-fourth of the entire number of voters. Of this number nearly one-half, or more than 3,000,000 were not citizens of the Republic. It is estimated that there are now in this country more than 700,000 men of draft age who can neither read nor write.

These figures show that immigration and illiteracy are two of our greatest problems. When the hopeful immigrants come to this land of promise too often indeed they are herded into ghettos and foreign quarters; they are called "wops," "dagoes," and "hunkies," are given no opportunity to learn our language, and then we often wonder why they are not Americanized. These people are the parents of our future citizens, and their children and children's children will be numbered among the defenders of the nation, should national peril seize the Republic in the future. If they do not understand our language they cannot think in our terms. Not only that, but they know nothing of our traditions, ideals and national aspirations. The racial groups that come to our shores must be promptly, sympathetically and effectively nationalized under the American flag. Then if after accepting the benefits of our free institutions and the many advantages that go with American standards, they will refuse to become naturalized and assimilated with the great American people, they should not be permitted to remain among us. Educational advantages should be extended as widely as possible to the end that illiteracy may disappear. This is the first big step in Americanization.

The problems of peace are just as difficult as the problems of war and require just as much real patriotism in their solution. Great empires have gone out of existence before our very eyes in the last few years—Russia, for example—and historians of the future can and will write about the rise and fall of the great Russian Empire. It is up to us as Americans everywhere to so live our lives and so conduct ourselves as a government and as a people that this great country will live forever, and that historians may never write about the rise and fall of the American Republic.

Let us cherish this heritage and hand it down to our children and our children's children with ever increasing luster and glory; then indeed, with the poet, our people may ever sing:

"Thou too, Sail on, Oh Ship of State!
Sail on, Oh Union strong and great!
Humanity with all its fears,
With all its hopes for future years,
Is hanging breathless on Thy fate.
Sail on, nor fear to brest the sea!
Our hearts, our hopes are all with Thee.
Our hearts, our hopes, our prayers, our tears,
Our faith, triumphant o'er our fears,
Are all with Thee, are all with Thee."

[*This is one of a number of interesting addresses delivered at the annual banquet of the Indiana Association, Indianapolis, May 18. Others will be published as space permits—Editor.*]

ROTARIANS, WAKE UP!

In the May issue of this publication, an inquiry was directed to all of our members who may be members of local Rotary Clubs, with the result that only the following persons responded:

Ray Reynolds, Commonwealth Loan Co., Terre Haute, Indiana; M. A. Costello, The Northwestern Finance Co., Defiance, Ohio.

Can it be possible that the above are the only Rotarians in our organization or may it be that our members do not read the NEWS. An important matter is pending and it was hoped that sufficient statistics could be gathered to prove that many of our members are members of local Rotary Clubs. The above result does not indicate it. The information may still be useful if you answer this right away.

1921 YEAR BOOKS WANTED.

As the demand for the last edition of our Year Books still continues, and as it comes from persons who are glad to pay the nominal charge of $1.00 asked for it, the National Secretary will appreciate it if any persons to whom the book was sent with a bill, and who have not yet paid for it and do not want it, if they will return the book sent to them at our expense.

N. F. OF R. L. A. CONVENTION.

The fourteenth annual convention of the National Federation of Remedial Loan Associations was held at the Hotel Harrington, in Washington, D. C., May 25th to 27th inclusive. Representatives of the following member organizations were in attendance: Collateral Loan Co., Boston, Mass., Thomas J. Reid; The Provident Loan Society of New York, Arthur H. Ham and R. Cornelius Raby; Worcester Collateral Loan Association, Worcester, Mass., John W. Litchfield; Workingmen's Loan Association, Providence, R. I., Charles F. Bigelow; Newark, N. J., William F. Davis; Provident Loan Society of Detroit, Mich., John E. Ryan; People's Loan Company, Portland, Me., Wilson E. Clark; Chattel Loan Society of New York, N. Y., George H. Loh; Provident Loan Society, St. Paul, Minn., D. S. Coffey; Utica Provident Loan Association, Utica, N. Y., George E. Upson; Provident Loan Association, Sioux City, Iowa, A. L. Whitmer; Provident Loan Society, Rochester, N. Y., F. A. Phillips; Duluth Remedial Loan Association, Duluth, Minn., H. A. Berg; Lynn Remedial Loan Society, Lynn, Mass., Arthur J. Northrup; Provident Collateral Loan Company, Dayton, O., H. S. Miller.

Frank H. Pope, supervisor of Loan Agencies for the State of Massachusetts, was also present by invitation.

The principal speaker was Hon. Theodore Burton, representative in Congress from Ohio, who addressed the convention on the subject of "Remedial Loan Legislation from the Legislator's Viewpoint." Mr. Burton expressed himself as being in sympathy with the objects of the Federation and said that he was lending his support to a proposed bill which would legalize a rate of two per cent. per month on small loans in the District of Columbia. He urged the members of the Federation not to be too modest in their dividend rates, so that legitimate capital might be attracted to the business. In his opinion, a dividend rate of ten per cent. would not be excessive. He dwelt also upon the modern tendency to extravagance so widely prevalent in the wage-earning class, and commended the Federation for its policy of inquiring into the need and purpose of a loan before making it.

Walter S. Hilborn, acting director of the Division of Remedial Loans of the Russell Sage Foundation, presented a paper in which he reviewed the progress of the Uniform Small Loan Law. Mr. Hilborn commented upon the unsuccessful efforts to amend the law in New York and Massachusetts, and to enact the uniform law in Kentucky. He said that in Iowa, in the first year under the law, there were now twenty-eight licensees, and that illegal lending had practically ceased.

"Raising New Capital in a Tight Money Market" was the subject of a paper by J. E. Ryan, of Detroit. Mr. Ryan described a well-organized campaign which had been conducted by the Provident Loan Society of Detroit last fall and which had resulted in new subscriptions for over $55,000 worth of stock. He said that his Society was now considering an issue of $100,000 debenture bonds.

George E. Upson, of Utica, N. Y., discussed the "Treatment of Loan Applications." He stated the principles which he believed should determine the acceptance or rejection of loan applications. The intent and purpose of the remedial loan society, Mr. Upson said, was to serve the small borrower who desired a loan for a strictly legitimate purpose, whose character, reputation and habits were such as to entitle him to the accommodation, who could furnish adequate security and who could reasonably be expected to repay the obligation without undue annoyance to the lender or hardship to himself and family.

The second day's session was opened by William F. Davis, of Newark, with a paper on the subject of "Lending on Endorsed Notes." Mr. Davis felt that the practice of lending on endorsed notes violated the principles upon which remedial loan agencies were founded, in that the lender fell into the habit of relying upon the financial responsibility of the endorser without looking into the purpose or need of the loan. He said that the practice had created the evil of the professional endorser, who made a business of endorsing notes for a consideration and who was as merciless in his pursuit of a delinquent borrower as any of the old-time loan sharks. Mr. Davis' paper precipitated a lively discussion, and it seemed to be the consensus of opinion that lenders should require the borrower, wherever possible, to furnish personal security for his loan rather than accept an endorsed note.

A. L. Whitmer, of Sioux City, related his experience in lending on the security of automobiles. His account was not very encouraging to any one who might contemplate a similar venture. In Mr. Whitmer's opinion, the business of lending on automobiles will be found profitable only if conducted on a large scale and on a basis entirely different from that on which remedial loan societies operate.

A paper on "Advertising and Other Publicity" was contributed by W. E. Palmatier, manager of the Omaha Provident Loan Society. Mr. Palmatier said that his Society's greatest need since organization had been more capital to meet the demand for loans, but that the Society nevertheless ran a continuous advertisement in a leading daily newspaper. Mr. Palmatier touched also upon the good results obtained through advertising literature placed with local bankers, who distributed it among those of their patrons whom the banks were not in a position to accommodate.

The progress of the proposed Uniform Pawnbroking Bill was reviewed by R. Cornelius Raby, of New York. Mr. Raby said that no attempt had yet been made to introduce the bill in any state legislature, but that a number of changes had been made in the original draft. One of the most important changes was to strike out the provision prohibiting pawnbrokers from selling goods at their place of business. Under the terms of a resolution offered by Mr. Raby and adopted without a dissenting vote, the Federation endorsed the bill as amended, and recommended it for enactment in any state of the Union.

The second day's proceedings were brought to a close with an informal discussion on "Collections, Delinquent Borrowers, Skips, etc.," led by George H. Loh, of New York, John W. Litchfield, of Worcester, Mass., D. S. Coffey, of St. Paul, Minn., and H. S. Miller, of Dayton, Ohio.

The officers of the Federation were all reëlected, as follows: Arthur H. Ham, chairman; D. S. Coffey, vice-chairman; John E. Ryan, secretary-treasurer; and R. Cornelius Raby, counsel. The chairman reappointed the same Executive Committee, comprising the following: Arthur H. Ham, D. S. Coffey, John E. Ryan, *ex-officio;* Albert C. Auger, Chas. F. Bigelow, William F. Davis, Ralph C. Glidden and George E. Upson.

PENNSYLVANIA.

A regular meeting of the Pennsylvania Association was held in the Parlors of the Chatham Hotel, Pittsburgh, at 2 P. M., Thursday, April 27th.

The meeting was called to order by Chairman A. S. Ezekiel.

Twenty-one members were present at the Luncheon which preceded the business meeting.

Report of Officers.

The Treasurer reported on hand, April 26, 1922, $1,115.52, and on motion of Dr. Mueller, seconded by Mr. Moss, the report was accepted.

The Secretary reported a membership of 74, 70 in good standing as of July 1, 1922. Fifty-three are also members in good standing of the American Association, as of August 1, 1922.

Report of Committees.

Membership, Publicity, Legislative and Entertainment Committees Chairman reported progress.

Executive Committee Chairman Moss reported a meeting of his Committee on March 6, 1922, at which the following matters were considered and recommendations made. 1. That the employment of Mr. Abrams, as publicity agent, be discontinued. 2. Of having adjusted the matter of the amount of newspaper advertising space used by a member in Altoona.

Unfinished Business.

Chairman Moss of a Committee of this Association conferred with a committee of the Warehousemen's Association of Philadelphia, but the matter had been held up pending an adjustment of the question whether the negotiations were right from a legal angle and that Attorney Hanby of Philadelphia had assured his committee of the right to proceed, and on motion of Dr. Mueller, seconded by Mr. Wick, the Committee was ordered to proceed and complete the arrangements and make such further report as in their judgment was best.

Mr. Watts, chairman of the Retail Merchants Credit Bureau Committee of the Chamber of Commerce of Philadelphia, reported in detail of the endeavor of the Chamber to establish a dependable credit agency and of the opportunity that was being afforded the lenders of Philadelphia to contact other credit men of mercantile establishments.

New Business.

The Chair reported an instance in Sharon where an attorney had endeavored to raise the question of whether a loan, where the wife had signed at the house, was legal since it was apparently concluded at a place other than that des-

ignated in the license. The Banking Department has held that the defense was without effect, and that such loans must necessarily be made under such conditions, otherwise borrowers might be declined the small loan service.

The Chair further urged each member to become acquainted with the newly nominated members of the 1923 Legislature.

The secretary announced he has copies of the new Association cut, which can be used on stationery of the members and which may be loaned for a limited period, upon request.

The Chair announced the Commission on Recodifying the Banking Laws, and which might take some action on the statute covering the small loan business, was inactive but the presumption is they will be in session very shortly again so as to report at the January session of the Legislature.

The Chair reported the employment of Thomas Raeburn White, of Philadelphia, to confer with the Banking Department and the Attorney General on the recent decision of the Deputy Attorney General, ruling on the question of limiting loans to $300, and that the matter was yet under negotiation.

On motion of Dr. Mueller, seconded by Mr. Wick, the secretary was instructed to forward a letter of commendation and appreciation to former Banking Commissioner Fisher, for the efficient manner in which he had conducted his office and our special department in particular, during his term.

A letter from Dr. Mueller, Chairman of the Finance Committee of the September, 1922, Annual Convention of the American Association, was read, asking for contributions from our treasury to support the convention in conjunction with other eastern state associations, and on motion of Mr. Wick, seconded by Mr. Loupe, the treasurer was authorized to remit $10 per member as such contribution.

On motion of Mr. Watts, seconded by Mr. Hartman, the following were duly elected members: Beneficial Loan Society, 1 E. Market St., York; Community Finance Service, Inc., 421 Main St., Johnstown; 208 Meyer Building, Wilkes-Barre and 1421 Eleventh Avenue, Altoona.

On motion of Mr. Moss, seconded by Mr. Watts, the service of Mr. Abrams, of Philadelphia, as publicity agent, was ordered discontinued.

A general discussion was had on the establishing in each city of an exchange for the purpose of avoiding doubling up of loans and making of undesirable credits, in which Messrs. Mueller, Wick, Hartman and Reeves took an active part. It was the sense of those present that this should be inauguraed in each city, and that our members coöperate closely with one another in perfecting a small loan service.

On motion of Mr. Wick, seconded by Mr. Moss a vote of thanks was extended the Pittsburgh Committee for to-day's functions.

Chairman Ezekiel asked the privilege of the floor to read the following statement and on the motion of Dr. Mueller, seconded by Mr. Reeves it was ordered spread on the minutes and the secretary authorized to notify the members of their appointment as set forth in Mr. Ezekiel's recommendations.

"LET GEORGE DO IT"

To the Members of the Pennsylvania Industrial Lenders' Association:

The above expression is used so often in all vocations of life, that same is so badly abused, particularly in all organizations' work, as to make it not only a *bug-bear,* but to create contention. Take our Pennsylvania Industrial Lenders' Association, which is composed of the finest type of men in existence: men that are intelligent, aggressive, and up-to-date in all their undertakings; men who are willing workers for the benefit of our association, (without compensation).

It seems to me that there are not enough members who are taking an active part in doing their bit. I am satisfied we have among our members material, if given an opportunity, will more than surprise us, it they are given a chance. Particularly the managers of the various companies, who are associate members of the P. I. L. Association. Personally, I believe in giving the managers an opportunity to forge ahead in organization work, (whether it is here in Pennsylvania or elsewhere) and not let your association depend on the arduous labors of a few. Or in other words, *let George do it.* To make it more clear to you, as to what I have in mind, the following story, I think will help some:

Pat O'Brien came to the U. S. A. some years ago, and his friends secured him employment as a laborer with a contractor who did considerable cellar digging work.

Pat's earnestness and general faithfulness attracted the attention of his employer, who shortly advanced him to a foremanship over one of his cellar jobs, with $1.50 per day extra.

Pat, with the best of intentions, tried by example to show the various men under him *how to work;* and with pick and shovel, he outworked them all.

His employer, however, looked at Pat's efforts from a different angle, and he called Pat to him, and immediately asked him the question: "Didn't I make you the foreman of this job?" Pat responded, "You did, sir." "Well, ain't I paying you $1.50 a day extra for being my foreman?" "You do, sir," says Pat. "Well, why in the devil are you robbing me of that $1.50 per day, by simply doing the work of an ordinary laborer, when I wanted you to be eyes for me in overseeing this job?"

It is true that the principals and supervisors have their hands full. Particularly the supervisors, so why not let the managers take a portion of the work off of the hands of the officers of the association, and not load everything on the chairman of the committees, secretaries, etc. There is such a thing as driving a lead horse to death, or putting the last straw on the camel's back, or we even might take the pitcher to the well once too often.

Now, gentlemen, *don't let George do it all,* but always be willing to lend a helping hand at any time. I would like to see an assistant for every official in our state association. Why? Because sickness and business interference at times will come to any man, and besides, assistants would lighten the burden required of our various officers of the P. I. L. Association.

Respectfully submitted,
(Signed) Alfred S. Ezekiel,
Chairman.

The following appointments were then made by Chairman Ezekiel: Mr. McCartney, of Pittsburgh, Asst. Treasurer; Mr. Moore, of Philadelphia, Asst. Secretary, Mr. Hart of Philadelphia, asst. to Publicity Committee Chairman and Mr. Lobb, of Philadelphia, Asst. to Entertainment Committee Chairman.

A. V. Moss, of Philadelphia, supervisor of the Guarantee Loan Company System, spoke on and discussed in open meeting the subject, "Mr. Lender, Are You Educating the Public?" A vote of thanks was tendered Mr. Moss for his timely and instructive discourse and the secretary authorized to forward the address to The Lender's News, with authority to print.

D. L. Gill, Manager of the Household Loan Company, of Pittsburgh, spoke on and discussed in open meeting the subject "Making circulars to Former Customers Bring Results." A vote of thanks was tendered Mr. Gill, and his paper ordered spread on the minutes of this meeting.

"MAKING CIRCULARS TO FORMER CUSTOMERS BRING RESULTS."

I believe there have been circulars written without a great deal of thought or planning that have brought results that were good, but it is more than probable that these very circulars conform to certain definite principles.

It has been my thought to show the principles or definite laws that cause you to get favorable results from your circulars to former customers.

"The object of any advertisement is to be seen, to be read and to be believed, and the greatest of these three objects is to be believed, and it is good to always have that in mind when preparing an advertisement.

"The mailing piece may be a letter, a folder or a card. The selection of the form of the advertisement is optional and depends upon how much you wish to put into the copy. Any well made-up copy, consisting of heading, body and closing, should stand to be enlarged, to be condensed, or to be modified to suit the medium to be used.

"Advertising is a sales force working for you. Most advertisements are made to sell some article of merchandise. We are selling a service. A service that is greatly different from others and we are therefore limited in the appeal we can make in our advertising copy because we must have a certain dignity about our advertisements in order to help create and maintain a good opinion of our business.

Some advertisers have the privilege of using all human appeals in their copies, such as appeals to the senses, to instinct, to imagination, to romance, to emotions, to reason. Our copy is best limited to appeals to reason, suggestion and imagination. We can use appeals to imagination to create attention in our circular and we can get action through the use of the appeals to reason and suggestion and by repetition and by creating confidence.

HEADING:

Good copy will have a heading which attracts attention. It should be such as to draw the reader on to find out what it is all about. It can be an appeal to the imagination, or a fact stated in a few words, acting as a title around which the rest of the circular is written.

BODY:

The body of the circular can be argumentative and suggestive and can be made to create confidence and should be so written as to hold the attention. Be brief, as people's attention is of short length. Argumentative copy is good, but suggestion will get action more frequently than a dry appeal to reason.

The emphasizing of a supreme point in argumentative style followed by suggestion and an appeal to the imagination with a statement to create confidence will get decision and action if there is any to be had at that time. If it does not, it will at least influence the reader's mind, so that you are remembered when your service is needed. Repetition is necessary with some as they may be inclined to forget the benefits of our service and think only of the cost.

CLOSING:

The closing of the copy is necessarily short and should be the climax and should direct the person's mind to action and make it easy to act.

MEDIUM:

When we consider that our advertisements create certain impressions in the minds of the reader and is our representative, we will want to have it correct and not faulty and that condition is not easily attained by the use of the form letter as a medium.

It is seldom that a filled-in name and salutation on a form letter will match perfectly with the printed or multigraphed body of the letter and it is not possible to duplicate a signature at the close. The rubber stamp signature is a thing of the past. One must have plenty of time to sign a thousand or two thousand form letters. Consider that the receiver's mind has the attitude of "what is in this for me," and on opening your letter readily discovers that it is an attempt to create a false impression of the personal letter. It is very reasonable to believe the party will give a mental grunt. I believe the reaction of their mind will be harder to overcome by the rest of your letter on account thereof.

"There is a tendency in letters to say too much and one must watch that it is easy to read. Make it brief with terse sentences and short paragraphs in order to sustain interest to the end and know when to quit.

CIRCULARS OR FOLDERS:

In the use of the small folder as a medium for carrying our thought to the reader it appeals to me, because we can make it attractive to the eye. We have the option of different colors and qualities in the paper. We have the choice of different colored inks and of using more than one color ink on the same circular in order to create a contrast and novelty. Making it different from the ordinary which will stimulate curiosity and thereby assist in attracting attention.

It permits the use of cuts, of headings and sub-headings which help to sustain interest that will cause it to be read to the close. With the wider range permitted in the use of various size type, the printed folders allow you to get the message, in short form to the one who only glances at the circular.

CARD:

The card as a medium will put your name and your invitation or message to the reader in a short form, but it is hardly large enough to carry a message of human appeal or reason why. It will receive result by repetition. Consider if it would do when you are following out an idea of keeping your advertisement up to the ethical standard you have set for your business. Although every advertisement does not get a return, it will create an impression.

TYPE:

To help make your message attractive, easily read and properly displayed, one must consider the set up and type used. Correct display and balance all help to create a harmonious whole. Some type refined, artistic, some bold, some loud and some are matter of fact. We who are not technical should not attempt to name our type and layout too closely. It takes skill and we have to leave it up to the printer: if he fails, it is best to get a new printer.

Your copy, your medium, its set-up, type and color represent the thought and feeling that have been put into it, and it will get results when you have given it the attention it deserves, as then it carries your personality and your message to the reader."

There appearing no further business to transact, the business meeting then adjourned. C. H. WATTS, *Sec.*

At the dinner at the Chatham Hotel, Pittsburgh, in the evening, A. L. Olson, of the Alexander Hamilton Institute, spoke on the subject, "The Soul of Business." Andrew G. Smith, Esq., spoke on the subject "Great Britain and Ireland," followed by a wireless demonstration, through the courtesy of the Doubleday Hill Company, of Pittsburgh.

"B. B." CONTRIBUTIONS.

"DUGER, IND., May 26, 1922.

"Dear, I thought I send enterest I bessie (busy) in the crop I not come in if not needed I send you $14.50 and too much are not nuf I make it rite.

"(Signed) ALBERT B———."

An article in *The National Republican* of May 27th, entitled "Henry Ford Usury and Ancient Rome," on page 7, written by Edward Nelson Dingley, devotes a paragraph in the fourth column to "Loan Shark Business" which indicates he is certainly not very well informed on the subject. As Mr. Geo. Lockwood, the editor of this magazine, is a personal friend of mine, I have taken this matter up with him. In the meantime I would suggest that this would furnish interesting information to the other lenders. This magazine is published at 425 South Tenth Street, N. W., Washington, D. C.

VIRGINIA.

The Regular Quarterly Meeting of the Virginia Industrial Lenders' Association was Held May 25, 1922, at the Old Colony Club, Hotel Southland, Norfolk.

Folowing a dinner and several short talks by W. W. Starks, Attorney, Norfolk, Virginia, and Judge W. Sargeant, Jr., of Norfolk, the business session was called to order at 10 p. m., by Chairman Pope.

Chairman Edge reported upon the uniform 3½% bill being passed at the last legislature, doing away with the 5% on small loans under $50.00. So far, there was only one complaint from any offices.

Treasurer Edge reported $267.14 on hand, with all bills paid.

Secretary Keiss reported twenty-seven licenses in the state, with two, possibly, going out of business. Thirteen members of the state body with several in bad standing with their dues. The membership committee requested an opinion from those present as to what steps should be taken to get those in arrears to pay up, and to get nonmembers to join. Several plans were suggested.

We hope that all members who are in arrears will make an effort to pay up immediately. Although the secretary has only sent out one notice to each member, it is embarrassing, as you all know, to make repeated requests. If you are a delinquent member, will you kindly send in your check as soon as possible?

Membership Committee reported three new offices for membership: Beneficial Loan Society of Portsmouth, Va.; Beneficial Loan Society of Roanoke, Va., and the Beneficial Loan Society of Lynchburg, Va.

Upon vote taken, they were unanimously elected to membership.

Mr. Pope then nominated Mr. Strand, of Lynchburg; Mr. Bradshaw, of Norfolk, and Mr. Seay, of Richmond, to act as a committee (membership) to try to get nonmembers to join and to induce those in arrears to pay up.

Mr. Keiss suggested that as the National Association and several of the other state associations had dropped the word "licensed" from their title, that we take a vote on it to see how the members felt about it.

On motion regularly made, seconded and carried, the name of the Association was changed from Virginia Industrial Licensed Lenders' Association to the Virginia Industrial Lenders' Association.

A discussion came up as to the advisability and advantages of having a pamphlet printed, of the Association's activities during the past four years, and being sent out to all members, nonmembers and others.

This was favorably passed upon, and upon motion regularly made, seconded and carried, Mr. Pope was elected a committee of one, to write a pamphlet to be approved by the Executive Committee before being sent out.

The chair then announced that nominations for a publicity committee were in order.

Mr. Edge nominated Mr. Pope to act as chairman; nomination was seconded, and upon motion regularly made, seconded and carried, Mr. Pope was elected.

Mr. Pope then appointed the following members to act on the committee: Messrs. Edge, of Richmond, and Keiss, of Norfolk. This committee to arrange the paper on publicity; also, to try to induce Bank Examiner Richardson to indorse the paper; then, to have all the leading newspapers to publish same. The committee having the power to act, if necessary, before the next meeting.

Messrs. Keiss, of Norfolk; Hafflin, of Portsmouth, and Edge, of Richmond, were requested by the chair to give an account of this meeting to the newspapers.

A paper, written by W. P. Woll, in reference to the National Association dues, was read, and was referred to the Executive Committee.

A letter was read from C. G. Mueller, chairman of the Finance Committe of the National Association Convention. Subject: The raising of moneys to finance the next National Convention in New York, N. Y., by assessing each member $10.00.

Upon motion regularly made, seconded and carried, it was decided that Treasurer Edge be instructed to remit to the Chairman of the Finance Committee of the National Convention, $10.00 for each member of the Virginia Association that was affiliated with the National Association.

Upon motion regularly made, seconded and carried, Lynchburg was unanimously selected as the place for our next meeting, to be held September 7th, at 2 p. m. F. P. Strand and F. M. Garrett to be instructed by Mr. Keiss to act as an entertainment committee to make all arrangements.

The secretary was instructed by the chair to mail each member and licensee in the state a copy of the minutes.

On behalf of the members, Mr. Pope thanked the entertainment committee for the splendid way they handled the meeting.

We wish to thank the following for their efforts in making the meeting such a success:

Edgar P. East, whose indulgence made it possible to arrange our meeting in the Old Colony Club, thereby eliminating a lot of trouble and expense; W. W. Stark, Attorney of Norfolk, for the splendid talk on cooperation; the Hon. W. Sargeant, Jr., judge, of Norfolk, Va., who also gave us a splendid talk.

I might add that it is the desire of the Executive Committee and the active members to have our next meeting the biggest one yet. So let's all resolve to be there. HUGH L. KEISS, *Secretary.*

SMALL LOAN BROKERS.

At the present time there are thirty-five (35) small loan brokers licensed by and under the supervision of the Bank Commissioner. During the past year twenty-six (26) examinations have been made, *and it is gratifying to again report that these companies are conducting their business in accordance with the law.*

Following is a statement of the receipts and disbursements of the funds received from small loan brokers' licenses:

Receipts.

Balance on hand Jan. 31, 1921	$1,070 66	
Amount received from licensees ..	1,662 52	
Interest on deposit	36 66	
		$2,769 84

Disbursements.

Salaries	$1,149 00	
Office supplies	21 00	
Printing	101 25	
Traveling	525 94	
Miscellaneous	72 19	
By check to comptroller	498 45	
	$2,367 83	
Balance on hand Jan. 31, 1922	402 01	
		$2,769 84

TWELFTH ANNUAL REPORT
STATE BANK COMMISSIONER,
MARYLAND.

JUNE SYSTEM.

June number of *System Magazine* contained an interesting article entitled "What about Loans to Employees." It brings out the fact that there are times when the need to borrow money comes to most every man some time in his life. Many borrow for the thousand and one reasons incident to running a family which is as vital to the individual as financing is to the biggest corporation. The article is compiled by the publicity department of the Morris Plan Company and contains facts and thoughts of equal interest to industrial lenders.

DON'T BE A "SKIP."

Every loyal industrial lender is pledged to attend the National Convention. It is a part of his service to his business and to his Association.

Start making your plans now. Excuses are always signs of weakness. So begin preparations at once to attend the greatest of all National Conventions; and come with the spirit to do your part, and so get the most out of the meeting.

Don't be a "skip" when the big date comes around. Lots of fun and vital work will be on the boards at New York, September 20th, 21st, 22d and 23d.

Say how many—NOW!

AMERICAN INDUSTRIAL LENDERS ASSOCIATION,
CONVENTION COMMITTEE.

ADVERTISING.

BY O. G. WOODBURY,

My experience has convinced me that advertising in the daily papers brings the best results. I am satisfied that the evening papers are better than the morning edition for chattel loans, as our class of borrowers usually have more time to read the papers in the evening.

For diamond loans, the morning papers are equally as good, as usually this class of loans comes from a different class of people than the ones that borrow on furniture.

An advertisement that is to the point, explaining the kind of security required, and making it plain that the business is conducted legally and in a strictly confidential manner, if set up in a type large enough to be easily read, will bring good results, if used continuously. In this connection, I think it is conceded by most advertisers that a continuous "ad" of some kind is necessary to bring the best results.

The days of the loan shark are past, and any reference in an advertisement casting reflection of that nature upon one of your competitors will not only lower the dignity and character of our business, but will eventually react against the party using this method.

Personal letters, in my judgment, come next in importance to newspaper advertising.

A well worded letter to old customers that have proven themselves to be worthy of credit, sent out at different seasons of the year, will bring good results, and in connection with this letter, a request to recommend any of their friends who may need financial assistance, no doubt will bring in more or less new customers.

We have found that letters sent out to addresses taken from the directory in certain sections of the city bring fair results.

Window Advertising: The value of this kind of advertising depends largely upon the location of the office. If you are located on the first or second floor, there is no doubt but what this is the cheapest form of advertising, as the initial cost is the only expense and you do not have to sign a new contract every year with the usual increase per square.

There are many other kinds of advertising, such as bill boards, motion pictures, blotters, calendars, etc. We have never used any of these methods and consequently I am not in position to make statement as to their value.

General Advertising: By this I mean advertising by the State Association or by by all the companies in any community along the lines showing the legality of the business, and the strict compliance of the law by all loan companies. Giving each borrower a square deal, no doubt, would not only add dignity to our business, but would educate the people to consider the chattel loan man a necessity, and would eventually become classed as the poor man's banker.

In conclusion, I will say that I possibly have omitted the most important point, that is that a satisfied customer is the best advertisement that is possble for any loan company to have. It, therefore, is important that each manager should positively insist that on all occasions customers should receive courteous treatment.

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